

National Consequences of Exporting Alaska North Slope Crude Oil, prepared for the Exxon Shipping Company, May 1986.

The Macroeconomic Costs of Limiting the Deductibility of Advertising Expenses, prepared for the American Association of Advertising Agencies, Inc., the American Advertising Federation, and the Association of National Advertisers, Inc., June 1986.

Pricing Telecommunications Services: The Impact on the U.S. Economy of Subscriber Line Charges, prepared for the American Telephone & Telegraph Company, August 1986.

GE Vehicle Price Forecasting System, prepared for the GE Credit Auto Leasing Company (with John A. Del Roccoli), September 1986.

Testimony on Home Air Conditioning Saturation Rates and its Effect on Peak Electricity Demand before the Indiana Public Service Commission, December 1986.

Effects on the New York Economy of Regulation of its Telecommunications Market, prepared for the American Telephone & Telegraph Company, January 1987.

Deregulating Telecommunications: Economic Impacts on New York State, prepared for the New York Telephone Company, February 1987.

Testimony on the Economic Effects of Relocating an Automobile Dealership in Canonsburg, Pennsylvania, before the Pennsylvania Board of Motor Vehicle Dealer Licensing, January 1987.

Testimony on the Determination of an Appropriate Discount Rate to Apply to the Expected Income of a Real Estate Syndication before the American Arbitration Association in New York, March 1987.

Testimony on the Economic Effects of Relocating an Automobile Dealership in Red Lion, Pennsylvania before the Pennsylvania Board of Motor Vehicle Dealer Licensing, March 1987.

Testimony on the Economic Effects of Allowing PHH, A Retail Auto Broker, to Operate in Pennsylvania before the Pennsylvania Board of Motor Vehicle Dealer Licensing, August 1987.

"Target Industry Study for Iron and Washington Counties, Utah" (with Kate Rodenrys), prepared for Pacific Power and Light Company, March 19, 1988.

The Impact on the U.S. Economy of Regulatory Changes in the Interstate Long-Distance Telecommunications Market, prepared for the American Telephone and Telegraph Company, October 1987.

Testimony on the Economic Effects of Relocating an Automobile Dealership in Minneapolis-St. Paul, Minnesota before the Minnesota Court of Common Pleas, October 1987.

Testimony on the Evaluation of Dealer Performance Related to Termination of the Dealership in Erie, Pennsylvania before the Pennsylvania Board of Motor Vehicle Licensing, October 1988.

Testimony on a the Competitiveness in the Markets Served by Buckeye Pipe Line Company, L.P. in Oil Product Transportation, Phase I (Docket No. IS87-14-000), before the Federal Energy Regulatory Commission, Washington, D.C., April 1989.

Prepared Direct Testimony (Draft) on the Competitiveness of Markets Served by Sun Pipe Line Company in Oil Product and Crude Oil Transportation, Document Supplied to General Counsel, June 1989.

Analysis of Ohio and Indiana Markets for Refined Petroleum Product Transportation, Prepared for Buckeye Pipe Line Company, L.P., June 1989.

Analysis of Eastern Product Systems Market for Refined Petroleum Product Transportation, Prepared for Sun Pipe Line Company, July 1989.

Testimony on the Effects of Adding a New Buick Dealership in San Diego, CA, Before the California New Motor Vehicle Board, November 1989.

Deposition on the Effects of Adding a New Cadillac Dealership in Los Angeles, CA, Related to Proceedings Before the California New Motor Vehicle Board, 1989.

Deposition on the Effects of Terminating a Ford Dealership in Youngstown, OH, Related to Proceedings Before Ohio New Motor Vehicle Commission, 1989.

"Rural/Urban Cross Subsidies in the U.S. Long Distance Markets" (with Jerry Langin-Hooper), prepared for Bell Canada, 1990.

Deposition on the Effects of Adding a New Toyota Dealership in Los Angeles, CA, Related to Proceedings Before the California New Motor Vehicle Board, 1990.

Testimony on the Effects of Terminating a Jaguar Dealership in Orange County, CA, Before the California New Motor Vehicle Board, March 1990.

Testimony on the Effects of Adding a New Ford Dealership in Beverly Hills, CA, Before the California New Motor Vehicle Board, March-April 1990.

Analysis of Competition in Markets Served by Atlantic Pipe Line Company, Prepared for Sun/Atlantic Pipe Line Company, April 1990.

Developed an Econometric Model for Forecasting and Analyzing U.S. Auto and Light Truck Demand for a Consortium of Japanese Auto Makers, May 1990.

Testimony on the Effects of Adding a New Toyota Dealership in Tulsa, OK, Before the Oklahoma Motor Vehicle Dealer Commission, July 1990.

Prepared Analysis and Wrote Testimony Related to the Competition Faced by Amoco Pipe Line Company in Crude Oil Transportation, FERC Docket No. IS90-30-000, August 31, 1990.

Testimony on the Effects of Adding a New Toyota Dealership in Pittsburgh, PA, Before the Pennsylvania Board of Motor Vehicle Licensing, October 1990.

Presentation on the Effects of Adding a New Ford Dealership in Kansas City, Before the Ford Dealer Policy Board, October 1990.

"The Effects of Long-Distance Competition on Small and Rural Jurisdictions in the United States with Comparisons to Newfoundland" (with Jerry Langin-Hooper), prepared for Newfoundland Telephone, November 1990.

Deposition on the Effects of Adding a New Honda Dealership in Minneapolis-St. Paul, Related to Proceedings in Minnesota State Court, January 1991.

Testimony on Calculating the Cost of Capital Using the CAPM Model, A Barometer Group of Companies, and a Risk Premium Approach Rebutting Testimony by a Commission Staff Witness, prepared for Consumers Power Company and Presented Before the Michigan Public Service Company, Case No. U-9346, January 15, 1991.

Prepared Analysis and Wrote Testimony Related to the Competition Faced by ARCO Pipe Line Company in Oil Product Transportation, FERC Docket No. IS90-34-000, February 1, 1991.

Prepared Analysis and Wrote Testimony Related to an Evaluation of Georgia Power's Proposed Integrated Resource Plan Including Demand-Side Options Related to General Regulatory Treatment and Specific Programs for Interruptible Service Tariffs, High Efficiency Lighting, and Residential Demand-Side Initiatives, Docket No. 3979-U, Georgia Public Service Commission, April-May, 1991.

Testimony on the Competitiveness of Markets Served by Williams Pipe Line Company in Oil Product Transportation, FERC Docket No. IS90-21-000, June 1991.

Prepared a Study on the Design of a Residential Time-of-Use Experiment for Delmarva Power and Light, Wilmington, Delaware, June 10, 1991.

Testimony Presented Before the Canadian Radio-Television and Telecommunications Commission, Regarding Unitel's Application for Interconnection with Bell Canada, et. al. June 25, 1991.

Testimony on Evaluating Ratemaking Alternatives and Performance Incentives Including Revenue Decoupling (ERAM) to Encourage DSM by Electric Utilities, prepared for Orange & Rockland for presentation to the New York State Public Service Commission Staff, Case 89-E-176, July 18, 1991.

"Macroeconomic and Fiscal Effects of the Luxury Tax on High-Line Cars" prepared for the Federation Against Inequitable and Regressive Taxation (FAIRTAX), February 1992.

"Reply Comments on Behalf of Southwestern Bell Telephone Company," prepared for Southwestern Bell Telephone Company for presentation to the Arkansas Public Service Commission, March 26, 1992.

Testimony on the Differential Rate of Return Risk Faced by GTEC's Equity Investors, prepared for GTE California for presentation to the Public Utilities Commission of the State of California, May 1, 1992.

APPENDIX 2

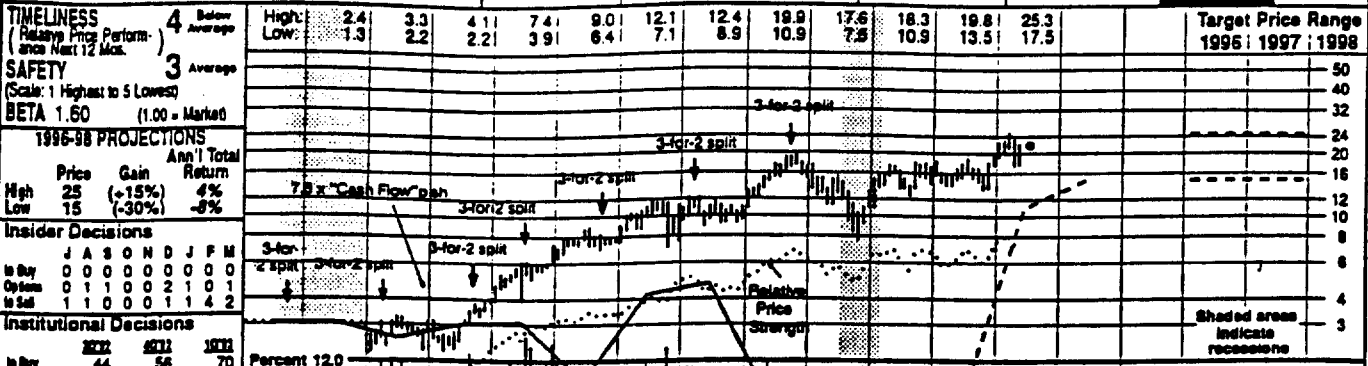
**VALUE LINE ANALYSIS OF THREE
"CLOSE TO PURE PLAY" CABLE TELEVISION
SYSTEM COMPANIES:**

- **CABLEVISION SYSTEMS CORP.**
- **COMCAST CORPORATION**
- **TELE-COMMUNICATIONS, INC. (TCI)**

(A) Based on average shares outstanding. Excluding capital gain: '88, \$4.84/sh. Next earnings report due early-July.	(B) Incl. intangibles. In '82: \$284.5 mil., \$12.60/sh. (C) in millions.	Company's Financial Strength C+ Stock's Price Stability 25 Price Growth Persistence 45 Earnings Predictability 40
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1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	VALUE LINE PUBL. INC. 1994	1995-98
.32	.45	.53	.54	.78	1.22	1.36	1.80	1.63	1.49	3.07	4.48	4.98	5.80	5.80	6.64	18.30	18.70	Sales per sh	12.50
.08	.12	.13	.14	.20	.31	.35	.41	.42	.21	.56	.84	1.13	1.15	.87	.10	1.45	1.80	"Cash Flow" per sh	2.10
.03	.05	.05	.07	.09	.13	.16	.19	.21	.01	1.10	1.47	1.39	1.58	1.31	1.82	4.40	4.05	Earnings per sh	.75
.00	.00	.00	.01	.01	.01	.02	.02	.03	.04	.05	.08	.10	.12	.14	.14	.14	.16	Div'ds Decl'd per sh	.25
.08	.15	.18	.38	.80	.61	.32	.24	.22	.28	.64	.98	.80	.82	.58	.81	.80	.80	Cap'l Spending per sh	.80
.16	.23	.25	.51	.80	.71	1.10	1.31	1.59	2.16	2.57	2.05	1.49	1.19	.15	1.34	17.35	17.85	Book Value per sh	16.85
40.57	36.13	41.38	48.82	50.75	51.41	62.25	64.54	72.14	67.68	100.62	100.53	112.80	113.26	128.77	135.61	135.75	135.80	Common Shs Outst'g	135.00
7.0	8.5	14.8	18.9	21.1	14.0	18.2	18.2	26.6	NMF	--	--	--	--	--	--	--	--	Avg Ann'l P/E Ratio	28.0
.92	1.16	2.14	2.51	2.56	1.54	1.54	1.51	2.16	NMF	--	--	--	--	--	--	--	--	Relative P/E Ratio	2.25
2.1%	1.0%	.9%	.6%	.8%	.8%	.8%	.8%	.8%	.8%	.8%	.8%	.8%	1.0%	.9%	.8%	.8%	.8%	Avg Ann'l Div'd Yield	1.2%

CAPITAL STRUCTURE as of 12/31/92
Total Debt \$4060.7 mil. Due 5 Yrs \$1158.8 mil.
LT Debt \$3973.5 mil. LT Interest \$210.0 mil.
(Interest not earned.)

Pension Liability None

Pfd Stock None

Common Stock 135,598,224 shares (38,983,579 Class A shs.; 87,848,395 Special Class A shs.; 8,768,250 Class B shs. (P))

(capital structure percentages not meaningful)

CURRENT POSITION	1990	1991	12/31/92
Cash Assets	206.2	595.7	347.9
Receivables	27.6	30.2	57.8
Other	17.7	19.6	22.9
Current Assets	251.5	645.5	428.6
Accrs Payable	95.7	118.3	234.5
Debt Due	37.9	94.7	87.2
Other	53.4	51.3	70.0
Current Liab.	187.0	284.3	391.7

ANNUAL RATES	Past 10 Yrs	Past 5 Yrs	Est'd '90-'92
Sales	21.5%	24.0%	13.0%
"Cash Flow"	-29.5%	-58.0%	NMF
Earnings	--	--	NMF
Dividends	28.5%	24.0%	11.5%
Book Value	--	--	NMF

Cal-ender	QUARTERLY SALES (\$ mil.)	Full Year
1990	155.3	657.0
1991	174.7	721.0
1992	196.5	800.3
1993	325.2	1400
1994	335	1435

Cal-ender	EARNINGS PER SHARE	Full Year
1990	0.41	1.58
1991	0.37	1.31
1992	0.28	1.62
1993	0.17	1.40
1994	0.05	1.05

Cal-ender	QUARTERLY DIVIDENDS PAID	Full Year
1990	0.02	0.10
1991	0.03	0.12
1992	0.05	0.14
1993	0.05	0.14
1994	0.05	0.14

BUSINESS: Comcast Corporation is a major cable TV operator. Co. serves approx. 2.6 million subscribers (including 36,000 served by unconsolidated affiliates). American Cellular subsidiary (acquired in 1988) operates cellular telephone systems in N.J. and Delaware. Co. acquired controlling interest in Metromedia's Philadelphia cellular operations in '92. Owns Muzak systems. 1992 rev. breakdown:

Untimely Comcast shares are unsuitable for numbers crunchers. Losses or nominal levels of profitability have been standard fare in cable TV for a long time, given the huge upfront costs that were necessary to build and acquire systems. The cellular phone business has similar revenue-cost characteristics. Typically, investors have approached the shares of Comcast, and those of its peers, as long-term asset plays. The general assumption has been that revenue growth in cable and cellular (from increased subscribership) would eventually overtake the large fixed cost base. Cellular, however, is less mature than cable at this point in time, so it will likely take longer for revenues to catch up with costs. But so far, the passage of time seems to be generating more questions than answers in both of Comcast's businesses.

• **Cellular Phones:** The talk of a few months ago linking cellular phones to brain cancer has quieted down. We're in no position to predict whether or not this issue will again resurface. The more widely discussed issue involves how widespread cellular usage will become.

Cable TV, 81%; other, 19%. 1992 depreciation rate: 15.2%. Estimated plant age: 2 years. Has 5,327 employees; 1,771 Class A and 1,820 Special Class A shareholders. (Class B shares are closely held.) Insiders own 20%; control about 80% of stock. Chairman: R.J. Roberts. President: B.L. Roberts, Inc. PA. Address: 1234 Market St., Philadelphia, PA 19107. Tel: 215-665-1700.

Clearly, cellular is a vital tool for many people (e.g., professionals who move around a lot). It seems equally clear that investments in cellular equities won't ever come close to paying off unless usage expands considerably from present levels. Some expansion seems inevitable. But we suspect that most people who need cellular already have it. And unless prices fall drastically from current levels, we wonder how many others will sign on.

• **Cable TV:** This industry was recently reregulated and the new ground rules are still evolving. That means the industry can no longer raise prices at will, as it has done in the past. But the law doesn't seem overly oppressive either. Nowadays, the focus seems to be on technology. Huge data highways will eventually be coming into homes and will allow for transmission of data, television, and telephone services. Interactive capabilities are also in the cards. But at this point, the industry seems to be talking a lot more about technical capabilities than about how consumers will actually use them and how much they will be asked to pay.

Marc H. Gerstein
June 25, 1993

TELE-COM. 'A' OTC-TCOMA

RECENT PRICE 22

PE RATIO 48.9 (Trailing 12 Months)

RELATIVE P/E RATIO 3.15

DIVID YLD Nil

VALUE LINE 387

TIMELINESS
(Rating: 1-5)
3 Average

SAFETY
(Scale: 1 Highest to 5 Lowest)
3 Average

BETA 1.65 (1.00 = Market)

1994-95 PROJECTIONS

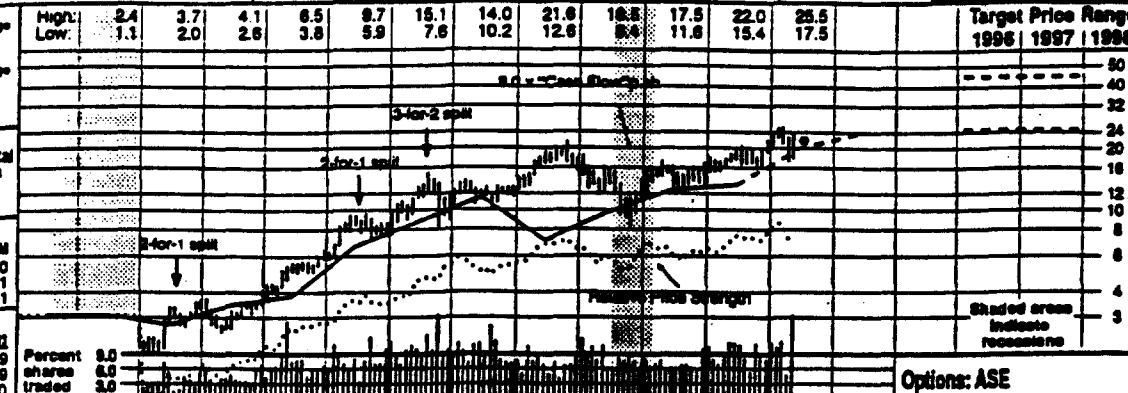
	Price	Gain	Return
High	45	(+105%)	20%
Low	25	(+15%)	3%

Insider Decisions

	J	A	S	O	N	D	J	F	M
In Buy	0	0	0	0	0	0	0	0	0
In Sell	0	0	0	0	0	0	0	0	0
In Hold	0	0	0	0	0	0	0	0	0

Institutional Decisions

	1992	1993	1994
In Buy	110	123	129
In Sell	117	102	119
In Hold	28507	291718	305450



1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	VALUE LINE PUBL. INC.	84-98
.21	.25	.36	.40	.73	1.13	1.34	1.76	2.02	2.20	5.65	6.46	8.57	10.13	9.14	8.31	8.80	10.30	Revenue per sh	12.05
.06	.07	.15	.10	.20	.26	.31	.39	.43	.75	.96	1.28	.80	1.10	1.41	1.48	2.20	2.70	"Cash Flow" per sh	4.60
.00	.02	.08	.03	.04	.04	.06	.06	.04	.31	.02	.16	.473	.481	.423	.408	.46	.86	Earnings per sh	2.30
..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	Div'ds Decl'd per sh	Nil
.03	.06	.23	.26	.90	.56	.89	1.43	.57	4.05	2.88	1.18	1.78	1.80	1.41	1.22	1.80	1.80	Cap'l Spending per sh	1.80
.11	.13	.25	.46	.75	.86	.83	.91	1.31	2.44	2.80	3.41	2.57	1.74	3.44	3.46	3.90	4.80	Book Value per sh	10.00
253.47	255.72	259.00	310.31	249.39	250.97	250.67	254.67	286.00	293.25	302.30	353.06	353.06	357.96	418.58	430.10	431.00	432.00	Common Shs Outstg	438.00
NMF	18.8	7.8	50.3	52.1	43.4	46.6	52.0	NMF	28.2	NMF	79.2	..	..	..	..	..	..	Avg Ann'l P/E Ratio	18.0
NMF	2.70	1.13	6.68	6.33	4.78	3.94	4.84	NMF	1.78	NMF	6.58	..	..	..	..	..	..	Relative P/E Ratio	1.25
..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	Avg Ann'l Div'd Yield	Nil

CAPITAL STRUCTURE as of 12/31/92

Total Debt \$10285.0 mil. Due, 5 Yrs \$4752.0 mil.
LT Debt \$6640.0 mil. LT Interest \$675.0 mil.
(Interest not covered.) (86% of Cap'l)

Leases, Uncapitalized Annual rentals \$20.0 mil.
Pension Liability None
Pfd Stock \$110.0 mil. Pfd Dividend \$18.0 mil.
(1% of Cap'l)

Common Stock 430,098,021 shs. (\$82,387,344)
Class A shares and 47,708,677 Class B shares^a
(13% of Cap'l)

CURRENT POSITION 1990 1991 12/31/92

	1990	1991	12/31/92
Cash Assets	31.0	35.0	34.0
Receivables	289.0	249.0	203.0
Other	58.0	35.0	..
Current Assets	378.0	319.0	237.0

	1990	1991	12/31/92
Accounts Payable	150.0	148.0	99.0
Debt Due	248.0	713.0	645.0
Other	477.0	470.0	556.0
Current Liab.	875.0	1331.0	1300.0

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '90-'92

	10 Yrs.	5 Yrs.	Est'd '90-'92
Revenues	28.5%	23.0%	4.5%
"Cash Flow"	22.0%	13.0%	23.0%
Earnings	..	..	NMF
Dividends	..	..	Nil
Book Value	15.5%	6.5%	24.0%

Calendar	QUARTERLY REVENUES (\$ mil.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
1990	861.0	890.0	942.0	932.0	3625.0
1991	963.0	922.0	975.0	967.0	3827.0
1992	856.0	879.0	896.0	943.0	3574.0
1993	1018	1020	1030	1032	4100
1994	1100	1110	1120	1125	4455

Calendar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
1990	d.19	d.12	d.15	d.35	d.81
1991	d.07	d.07	d.07	d.07	d.28
1992	d.05	.04	.06	d.13	d.08
1993	.11	.10	.10	.14	.45
1994	.20	.20	.20	.25	.85

Cal-endar	QUARTERLY DIVIDENDS PAID				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
1989	NO DIVIDENDS BEING PAID				
1990					
1991					
1992					
1993					

(A) Based on average shares outstanding.
Next earnings report due mid-July. Excl. non-recurring & extraord. gains (losses): '79, 15c; '82, 3c; '83, 3c; '84, 1c; '85, (24c). (B) In mil-ions, adjusted for stock splits & dividends. Each Class B share is entitled to 10 votes.

BUSINESS: Tele-Communications Inc. is the largest operator of cable television systems in the nation. The company serves about 10.2 mil. basic subscribers and 9.8 mil. pay television subscribers. Company also owns and operates Encore, a low-price premium cable service featuring old movies. Spin off WTCI, microwave common carrier division, in '84; Republic Pictures '85; Liberty Media in

The neutrally ranked shares of Tele-Communications (TCI) are of no special interest as an earnings play. The company's bottom line remains depressed by the heavy upfront costs incurred to build and acquire cable TV systems. We've consistently viewed TCI as a long-term asset play. Eventually, the company's cable assets will earn money as rising revenues overtake the largely fixed cost base. Among the cable equities covered by Value Line, we've long favored TCI because it is less risky than Cablevision and more of a pure play than Comcast. And although TCI, the industry's largest player, has always received lots of bad press (under the "big is bad" theory), the fact remains that TCI has typically exercised restraint in pricing, recognizing that better programming and customer service should come ahead of higher rates. Due to these considerations, we continue to prefer TCI relative to other cable equities. But...

The level of uncertainty here is increasing due to the arrival of reregulation ... Cable firms can no longer raise rates at will. As noted above,

'91. Directed movie theater operation in '92. Publishes Cabletime television guide. 1992 depreciation rate: 10.2%. Estimated plant age: 3 years. Has about 22,000 employees, 8,375 shareholders. Insiders control about 45% of voting stock. Chairman: S. Magnus. Pres.: J. Malone. Inc.: DE. Address: 6619 D.T.C. Parkway, Englewood, Colorado 80111. Telephone: 303-267-5800.

TCI wasn't really a price gouger. But the company will, along with others, lose some flexibility in this important aspect of its business. ... and twenty-first century technology. The industry is now buzzing with talk of fiber optic data highways that will enable outfits like TCI to bring 500 channels and other services (such as interactive capabilities, data transmission, and telephone) into consumers' homes. Rival Time Warner teamed up with U S West on such a venture. Rumor had linked TCI to AT&T. We wouldn't be surprised to see TCI enter some sort of joint venture. But so far, very little attention has been given to what sort of services consumers really want and how much they're willing to pay. For that reason, we're restraining our enthusiasm over this issue. TCI is reevaluating its large stake in Turner as is Time Warner, another major Turner shareholder. Talks are suspended now, pending regulatory uncertainties. But eventually, some sort of restructuring of Turner may return to the front burner. Ultimately, TCI may wind up getting some attractive programming assets.

Marc H. Gerstein June 25, 1993

Company's Financial Strength	8
Stock's Price Stability	35
Price Growth Persistence	95
Earnings Predictability	30

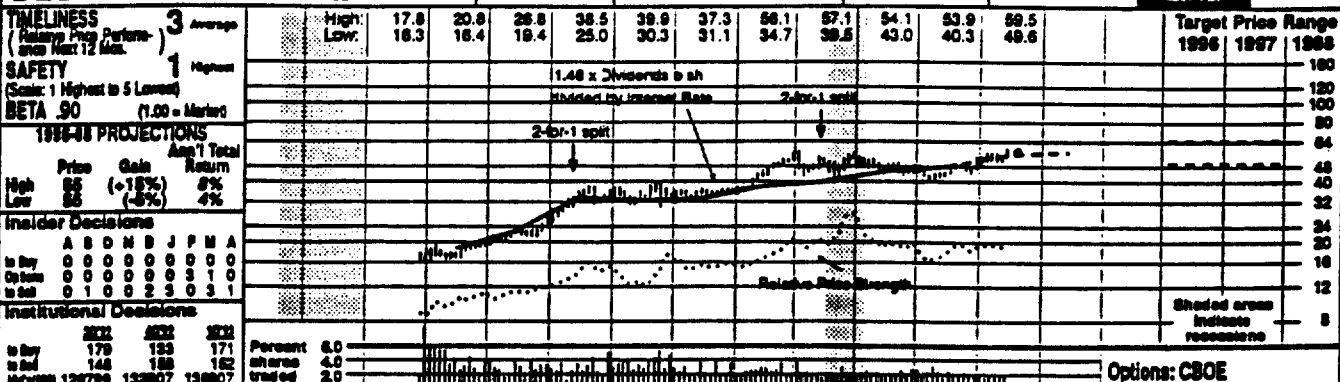
APPENDIX 3

VALUE LINE ANALYSIS OF THE SEVEN RHCS

- . AMERITECH**
- . BELL ATLANTIC**
- . BELL SOUTH**
- . NYNEX**
- . PACIFIC TELESIS**
- . SOUTHWEST BELL**
- . U.S. WEST**

BELL ATLANTIC NYSE-BEL

RECENT PRICE 57 P/E RATIO 16.5 (Trailing: 17.5 Median: 14.5) RELATIVE P/E RATIO 1.06 DIV YLD 4.7% VALUE LINE 751



	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	* VALUE LINE PUL. INC.	90-93
Bel Atlantic is one of the seven regional holding companies resulting from the breakup of the American Telephone & Telegraph Company on January 1, 1984. Each AT&T shareholder received one share of Bell Atlantic common for every 10 shares of AT&T (pre-divestiture) common stock held. The stock began trading on a when-issued basis on November 21, 1983. "Regular" trading of Bell Atlantic shares began on February 16, 1984.	--	20.30	22.74	24.93	25.98	27.81	29.02	31.28	31.01	28.13	29.78	30.80	Revenue per sh ^(A)	34.00
	--	5.44	6.45	7.77	8.47	9.32	9.08	9.38	9.17	8.75	8.36	8.70	"Cash Flow" per sh	10.00
	--	2.46	2.74	2.93	3.12	3.33	3.34	3.38	3.41	3.23	3.46	3.78	Earnings per sh ^(B)	4.00
	--	1.80	1.70	1.80	1.92	2.04	2.20	2.36	2.52	2.60	2.80	2.80	Div'ds Decl'd per sh ^(C)	3.20
	--	4.80	5.41	6.78	6.97	8.23	8.55	8.41	8.21	8.67	8.80	8.85	Cap'l Spending per sh	6.30
	--	18.84	19.83	20.91	22.07	23.29	21.78	22.71	19.77	18.00	18.80	18.80	Book Value per sh	24.25
	--	398.46	398.48	397.94	398.19	394.03	394.45	393.18	396.05	434.20	435.00	435.00	Common Shs Outstg ^(D)	435.00
	--	7.3	8.2	11.1	11.2	10.5	13.4	14.8	14.0	14.2	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	13.8
	--	.88	.87	.75	.75	.87	1.01	1.06	.88	.86			Relative P/E Ratio	1.00
	--	8.6%	7.8%	8.5%	8.5%	8.8%	4.9%	4.8%	5.3%	5.7%			Avg Ann'l Div'd Yield	8.5%

CAPITAL STRUCTURE as of 3/31/93													
Total Debt \$9844 mil. Due in 5 Yrs \$4270 mil.													
LT Debt \$7458 mil. LT Interest \$630.0 mil.													
incl. \$152.3 mil. capitalized leases.													
LT Interest earned: 4.3%; total interest coverage: 4.1x													
1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	Revenue (\$mil) ^(A)	14800
1026.1	973.1	1082.9	1167.1	1240.4	1316.8	1319.3	1312.5	1331.6	1382.2	1500	1630	Net Profit (\$mil)	2000
42.7%	42.9%	42.8%	43.7%	36.9%	28.7%	29.9%	33.8%	33.3%	31.8%	35.0%	35.0%	Income Tax Rate	35.0%
11.8%	12.0%	12.0%	11.8%	12.0%	12.1%	11.9%	10.7%	10.8%	10.9%	11.5%	12.2%	Net Profit Margin	13.5%
41.1%	38.7%	38.2%	37.3%	37.3%	41.7%	47.3%	47.8%	50.4%	48.9%	48.0%	47.5%	Long-Term Debt Ratio ^(B)	45.5%
58.9%	61.3%	61.8%	62.7%	62.7%	58.3%	52.7%	52.2%	48.6%	51.9%	52.0%	52.5%	Common Equity Ratio	54.5%
11794	12254	12812	13278	13941	15734	16311	17101	15791	15165	15770	16635	Total Capital (\$mil) ^(C)	28200
15084	15789	16537	16932	17245	18174	18874	19447	19982	20330	19925	19900	Net Plant (\$mil)	20100
8.7%	8.6%	10.1%	10.3%	10.3%	9.8%	8.9%	8.2%	10.2%	11.3%	11.5%	12.0%	% Earned Total Cap'l	22.8%
14.8%	13.0%	13.8%	14.0%	14.2%	14.3%	15.4%	14.7%	17.0%	17.7%	18.0%	18.0%	% Earned Net Worth	19.0%
14.8%	13.0%	13.8%	14.0%	14.2%	14.3%	15.4%	14.7%	17.0%	17.7%	18.0%	18.0%	% Earned Comm Equity	19.0%
.8%	4.8%	5.2%	5.4%	5.9%	5.7%	5.4%	4.9%	4.9%	4.0%	4.0%	4.0%	% Retained to Comm Eq	6.8%
88%	85%	82%	81%	81%	80%	80%	80%	73%	77%	78%	75%	% All Div'ds to Net Prof	88%
COMMON STOCK 434,700,000 shs.													
CURRENT PORTION 1981 1982 3/31/93													
88%	85%	82%	81%	81%	80%	80%	80%	73%	77%	78%	75%	% All Div'ds to Net Prof	88%

CAPITAL STRUCTURE as of 3/31/93
 Total Debt \$9844 mil. Due in 5 Yrs \$4270 mil.
 LT Debt \$7458 mil. LT Interest \$630.0 mil.
 Incl. \$152.3 mil. capitalized leases.
 (LT interest earned: 4.3%; total interest coverage: 4.1x)

Leases, Unseparated Annual rentals \$136.3 mil.
 Pension Liability None
 Pfd Stock None

Common Stock 434,700,000 shs.

CURRENT POSITION

	1991	1992	3/31/93
Cash Assets	245.3	296.0	261.5
Other	3804.1	3895.3	3803.1
Current Assets	3849.4	3991.3	3864.6
Accts Payable	1878.0	1859.5	1874.2
Debt Due	2014.3	2703.5	2386.6
Other	1284.9	1229.2	1419.3
Current Liab.	5175.2	5872.2	5480.7
Fix. Chg. Cov.	358%	361%	381%

BUSINESS: Bell Atlantic Corp. is a holding company for the Chesapeake & Potomac Telephone Cos., N.J. Bell, Diamond State Tel., and Bell Co. of PA. Bell Atlantic is a major supplier of telephone services in DE, MD, NJ, VA, West Virginia, and Washington, D.C. Owns 10.7% of the assets of the former AT&T; 30% of joint acquisition of Telecom Corp. Access lines in service: 18.2 mil.

About 98% of switching is electronic. '92 revenue breakdown: local service, 39%; access charges, 23%; toll, 12%; other, 26%. Telco employees per 10,000 access lines: 37.0. '92 depr. rate: 7.8%. Est. plant age: 8 years. Has 72,000 employees, 1.1 million shareholders. Chairman & C.E.O.: Raymond W. Smith, Inc.: DE. Address: 1717 Arch Street, Philadelphia, PA 19103. Tel.: 215-983-8000.

Cal-ender	QUARTERLY REVENUES (\$ mil.)	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	
1990	3018 3077 3098 3105	12298
1991	2996 3081 3104 3099	12280
1992	3077 3149 3167 3254	12647
1993	3163 3225 3240 3322	12950
1994	3275 3385 3390 3450	13400

Cal-ender	EARNINGS PER SHARE ^(B)	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	
1990	.50 .52 .51 .55	3.38
1991	.58 .59 .56 .58	3.41
1992	.61 .74 .51 .77	3.23
1993	.65 .66 .67 .67	3.45
1994	.62 .63 .64 .68	3.75

Cal-ender	QUARTERLY DIVIDENDS PAID ^(C)	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	
1989	.51 .55 .55 .55	2.16
1990	.55 .58 .59 .59	2.32
1991	.59 .63 .63 .63	2.48
1992	.63 .65 .65 .65	2.58
1993	.65 .67 .67 .67	2.68

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Past 3 Yrs. '90-'92 of change (per sh) 10 Yrs. 5 Yrs. 3 Yrs. '90-'92

Revenue	--	4.5%	2.0%
"Cash Flow"	--	4.0%	3.0%
Earnings	--	2.5%	5.5%
Dividends	--	6.5%	4.5%
Book Value	--	-5%	3.0%

AN IMPROVED ECONOMY, INCREASED EFFICIENCY, AND LOWER INTEREST EXPENSE WILL DRIVE BELL ATLANTIC'S EARNINGS GROWTH THROUGH 1994. The company is enjoying modest growth in its local exchange business due to improved economic conditions in its operating areas. Access lines in service are likely to grow by about 2.5% year over year for the remainder of 1993, with further gains likely for 1994 as the economy continues its modest growth. This, combined with good growth in minutes of usage, should equate to decent revenue increases both this year and next. Meanwhile, Bell Atlantic boasts the lowest cost structure among the Baby Bells. We expect margins to continue to expand as the company reduces costs even further. Finally, lower interest expense should help shore up the bottom line as the company continues to take advantage of the low interest rate environment to refinance its debt.

Strong growth continues at the cellular segment. Total subscribers increased by about 40% in the first quarter over last year's tally, with cellular revenue increasing by 28%. We expect this strong growth to continue over the coming 18 months as lower equipment costs and the improved economy encourage new customers to sign on.

New services provide long-term growth opportunities. Bell Atlantic Mobile has launched a trial in Pittsburgh for its "Personal Line Service", which enables customers to be reached with one number whether at home, the office, or on the road. Separately, the company is beginning trials to deliver video-on-demand over the existing copper-wire telephone network in Northern Virginia. If successful, Bell Atlantic will pursue its plans to enter the mass market in 1994 to provide entertainment, information, and communications services simultaneously throughout its service area.

This issue is ranked to perform in line with the market over the next six to 12 months. Since Bell Atlantic stock trades, to a great extent, on the basis of its yield, low interest rates have pushed this equity's price higher recently. Therefore, at its current quotation, total return potential out to 1996-98 is subpar.

Jeffrey M. Bagley July 16, 1993

(A) Historical figures (pre-1984) are not comparable to post-divestiture estimates and results. (B) Based on avg. shs. outstanding. Excl. nonrecurring charge: '88, 80¢; '91, \$3.94. Ex-factual material is obtained from sources believed to be reliable, but the publisher is not responsible for any errors or omissions contained herein. For the confidential use of subscribers. Reprinting, copying, and distribution by permission only. Copyright 1993 by Value Line Publishing, Inc. ® Reg. TM—Value Line, Inc.

Aug. 2, Nov. 1, a Dividend reinvestment plan available. (D) In millions, adjusted for stock splits. (E) Includes finance sub. from 1988.

Company's Financial Strength A+
 Stock's Price Stability 80
 Price Growth Persistence 80
 Earnings Predictability 100

To subscribe call 1-800-833-0046

RECENT PRICE	55	P/E RATIO	15.5 (Trailing: 16.8 Median: 10.6)	RELATIVE P/E RATIO	0.99	DIVID YLD	5.0%	VALUE LINE	752
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TIMELINESS (Reverse Price Performance Next 12 Mos.)		5	Lowest						
SAFETY (Scale: 1 Highest to 5 Lowest)		1	Highest						
BETA .80 (1.00 = Market)									
1996-98 PROJECTIONS									
	Price	Gain	Ann'l Total Return						
High	70	(+25%)	71%						
Low	60	(+10%)	7%						
Insider Decisions									
	A	B	C	D	J	F	M	A	
To Buy	0	0	0	0	0	0	0	1	0
To Sell	0	0	0	0	0	0	0	4	0
To Hold	0	0	0	0	0	0	0	0	0
Institutional Decisions									
	2023	6023	1023						
To Buy	178	161	160						
To Sell	156	178	167						
To Hold	122795	125795	131133						

High:	20.1	23.9	32.8	46.0	44.3	43.9	58.1	89.3	85.0	55.4	57.5																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													
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	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	* VALUE LINE PUBL. INC.	198-98
<p> BellSouth Corporation is the largest regional telephone company resulting from the breakup of the American Telephone & Telegraph Company on January 1, 1984. Each AT&T shareholder received one share of BellSouth common for each 10 shares of AT&T (pre-divestiture) held. The stock began trading on a when-issued basis on November 21, 1983. "Regular" trading of BellSouth shares began on February 16, 1984. </p>	--	21.67	23.25	23.39	25.50	29.30	29.07	30.06	29.78	30.79	31.25	32.80	Revenues per sh ^(A)	37.00
	--	8.23	7.03	7.39	8.86	9.37	9.36	9.50	9.22	9.50	9.75	10.25	"Cash Flows" per sh	11.00
	--	2.86	3.13	3.39	3.48	3.51	3.46	3.38	3.11	3.36	3.55	3.85	Earnings per sh ^(B)	4.00
	--	1.72	1.88	2.04	2.20	2.36	2.52	2.68	2.78	2.76	2.76	2.89	Div'd Dec'd per sh ^(C)	3.35
	--	6.07	6.73	6.84	6.25	6.81	6.86	6.88	6.40	6.46	6.50	6.67	Cap'l Spending per sh	6.80
	--	20.86	22.27	23.61	24.86	25.51	27.21	28.34	27.01	27.94	28.65	29.85	Book Value per sh	32.65
	--	448.68	457.90	478.97	481.22	464.04	481.55	477.30	485.11	483.76	500.00	500.00	Common Shs Outstg ^(D)	588.00
	--	7.2	8.4	11.0	11.4	11.5	13.9	15.6	16.0	14.7	16.0	16.0	Arg Ann'l P/E Ratio	15.5
	--	.67	.68	.75	.76	.95	1.05	1.17	1.02	.89	.90	.90	Relative P/E Ratio	1.05
	--	8.3%	7.1%	5.4%	5.8%	5.9%	5.2%	5.0%	5.9%	5.9%			Arg Ann'l Div'd Yield	6.2%

CAPITAL STRUCTURE as of 3/31/93	10724	9631.4	10864	11444	12288	13587	13896	14348	14448	16202	16825	16300	Revenue (\$mil)Y4	16800
Total Debt \$9061 mil. Due in 5 Yrs \$2140 mil.	1371.5	1257.2	1417.8	1588.7	1684.8	1665.5	1642.2	1631.5	1506.9	1658.4	1788	1825	Net Profit (\$mil)	2600
LT Debt \$7308 mil. LT Interest \$680 mil.													Income Tax Rate	36.0%
	43.1%	43.0%	42.9%	45.1%	36.4%	31.5%	30.5%	32.5%	33.5%	38.0%	36.0%	35.0%	Net Profit Margin	13.0%
Incl. \$203.2 million capitalized leases.	12.6%	13.1%	13.3%	13.9%	13.6%	12.2%	11.7%	11.4%	10.4%	10.9%	11.5%	11.9%	Long-Term Debt Ratio	34.0%
	43.9%	40.6%	38.8%	35.7%	34.5%	37.3%	35.0%	38.1%	37.1%	34.6%	34.0%	33.6%	Common Equity Ratio	66.0%
(LT interest earned: 4.7%; total interest coverage: 4.5x)	56.5%	59.4%	61.2%	64.3%	65.9%	62.7%	65.0%	61.9%	62.9%	65.2%	66.0%	66.5%	Total Capital (\$mil)	26800
	14574	15655	16680	17317	18290	18570	20157	20447	20450	21158	21800	22480	Net Plant (\$mil)	24800
Pension Liability None	18082	20306	21234	22180	22678	23455	23742	23907	24059	24273	24518	24615	% Earned Total Cap'l	11.0%
Mtd Stock None	11.4%	9.0%	10.3%	10.7%	10.6%	10.4%	9.6%	9.5%	8.6%	8.5%	8.5%	8.0%	% Earned Net Worth	14.0%
	16.6%	13.4%	13.9%	14.1%	13.9%	14.1%	12.9%	12.9%	11.9%	12.0%	12.0%	13.0%	% Earned Comm Equity	14.0%
Common Stock 485,700,000 shs.	16.6%	13.4%	13.9%	14.1%	13.9%	14.1%	12.9%	12.9%	11.9%	12.0%	12.0%	13.0%	% Retained to Comm Eq	4.6%
	3.2%	5.2%	5.8%	5.6%	5.1%	4.7%	3.9%	2.9%	2.9%	4.2%	2.6%	2.5%	% All Div'ds to Net Prof	79%
	81%	81%	80%	80%	84%	86%	72%	78%	79%	89%	78%	75%		

CURRENT POSITION	1991	1992	3/31/93
Cash Assets	428.9	348.1	229.9
Other	3206.6	3324.9	3324.7
Current Assets	3637.5	3671.0	3554.6
Acc'ts Payable	955.8	1077.2	908.2
Debt Due	1867.8	1834.8	1754.8
Other	2209.1	2933.0	2242.0

BUSINESS: BellSouth Corp. is the largest telephone holding company resulting from the AT&T breakup (owns 14% of the former AT&T's assets). Through BellSouth Telecommunications, Inc. subsidiary, serves customers in Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee. Access lines in service: 18.7 million; '92 total revenue break-down: local service, 55%; access charges, 34%; toll, 11%. Telephone company employees per 10,000 access lines: 44.4. '92 depreciation rate: 7.6%. Estimated plant age: 5 yrs. Has 97,112 employees, about 1.3 mil. shareholders. Chairman, C.E.O. & President: John L. Candelini. Incorporated: GA. Address: 1165 Peachtree St., N.E., Atlanta, GA 30367. Tel.: 404-248-2000.

Current Liab.	4843.5	5022.2	4888.0
Fin. Chg. Cov.	350%	422%	432%
ANNUAL RATES	Post	Post	Est'd '90-'92
of change (per st)	10 Yrs.	5 Yrs.	In '90-'90
Revenues	--	4.5%	3.5%
"Cash Flow"	--	4.0%	4.0%
Earnings	--	--	6.5%
Dividends	--	6.0%	3.5%
Book Value	--	3.0%	3.5%

Calendar	QUARTERLY REVENUES (\$ mil.)				Full Year
	Mar:31	Jun:30	Sep:30	Dec:31	
1990	3524	3619	3551	3651	14345
1991	3540	3582	3629	3695	14446
1992	3739	3817	3736	3910	15202
1993	3834	3915	3836	3941	15625
1994	4000	4090	4075	4075	16300

Calendar	EARNINGS PER SHARE*				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
1990	.88	.91	.84	.75	3.38
1991	.82	.76	.73	.80	3.11
1992	.94	.94	.78	.72	3.38
1993	.83	.89	.91	.82	3.55
1994	.87	.85	.87	1.00	3.65

Calendar	QUARTERLY DIVIDENDS PAID ^(a)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
1988	.59	.63	.63	.63	2.48
1990	.63	.67	.67	.67	2.64
1991	.67	.69	.69	.69	2.74
1992	.69	.69	.69	.69	2.76
1992	.69	.69			

BUSINESS: BellSouth Corp. is the largest telephone holding company resulting from the AT&T breakup (owns 14% of the former AT&T's assets). Through BellSouth Telecommunications, Inc. subsidiary, serves customers in Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee. Access lines in service: 118.7 million; '92 total revenue breakdown: local service, 55%; access charges, 34%; toll, 11%. Telephone company employees per 10,000 access lines: 44.4. '92 depreciation rate: 7.6%. Estimated plant age: 5 yrs. Has 97,122 employees, about 1.3 mil. shareholders. Chairman, C.E.O. & President: John L. Clandinin, Incorporated. GA Address: 1155 Peachtree St., N.E., Atlanta, GA 30367. Tel.: 404-249-2000.

BellSouth is enjoying relatively good growth at its traditional telephone segment. Thanks to improved economic conditions and favorable demographics in its operating areas, BellSouth is leading the rest of the Baby Bells in growth at the wireline segment. Access lines in service grew at an annual 3.4% rate in the first quarter, while minutes of use increased 5.8% over the same period last year. We expect these gains to continue over the coming 18 months, resulting in modest revenue growth through 1994. Meanwhile, although held back somewhat by expenses related to severe weather conditions in the first quarter, operating margins should expand this year and next as the company continues its downsizing activity. In addition, debt refinancing should save approximately \$35 million annually starting in 1994. (The company will take an 11¢ a share charge to call the debt, which is excluded from our earnings presentation.) The wireless segment should continue its strong growth. At the end of the first quarter, subscribers to BellSouth's domestic cellular operations were up 43% from a year ago. As a result, domestic cellular revenues increased over 30% compared to last year's first quarter. This excellent growth should continue for some time as lower equipment costs attract more and more new customers. Meanwhile, RAM Mobile Data has completed the first leg of its network expansion, and now provides service to over 90% of the U.S. business population. This joint venture will allow BellSouth to capitalize on the increasing popularity of portable computers and business' growing needs for real-time information. The company is positioning itself in other high-growth markets overseas. BellSouth now has interests in over 15 countries worldwide in various telecommunications projects. Although dilution in the near term will hurt earnings comparisons somewhat through 1994, these markets offer outstanding opportunities to augment future earnings growth. This stock is ranked lowest for Timeliness. And although the company has solid earnings prospects out to 1996-98, the stock's current price seems to already discount a good portion of these gains.

Jeffrey M. Bagley
July 16, 1993

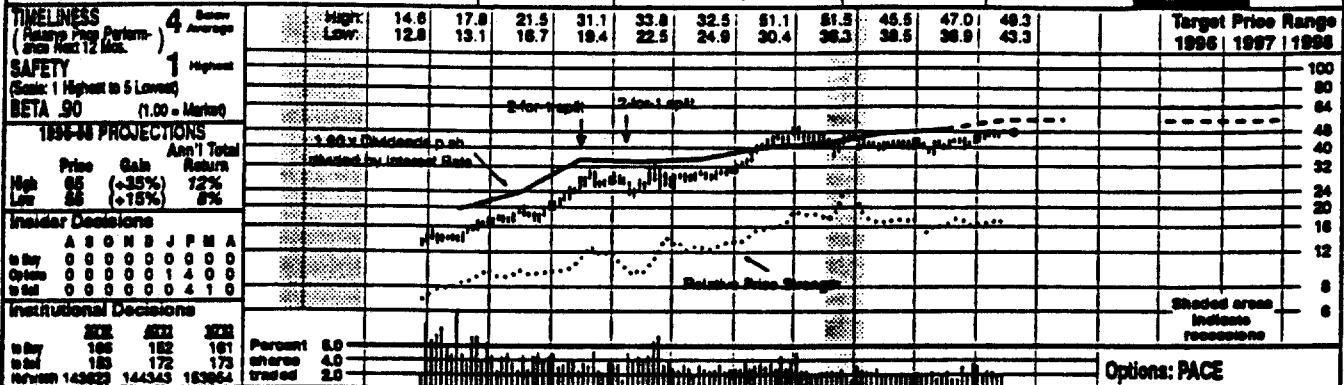
Company's Financial Strength	A+
Stock's Price Stability	95
Price Growth Persistence	80
Earnings Predictability	95

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NYNEX CORP. NYSE:NYN				RECENT PRICE	90	PE RATIO	13.4 (Trailing: 14.2 Median: 11.5)	RELATIVE P/E RATIO	0.86	DIV'D YLD	5.2%	VALUE LINE	763		
TIMELINESS (Rating: 1 Highest to 5 Lowest)				High: 32.1 Low: 30.1	37.9 29.3	49.3 36.4	73.3 46.4	78.4 58.0	70.9 60.9	82.0 65.3	81.0 67.1	80.8 67.0	88.5 69.3	82.5 68.6	Target Price Range 1996 1997 1998
SAFETY (Scale: 1 Highest to 5 Lowest)															250 200 150 100 50 0
BETA .85 (1.00 = Market)															150 100 50 0
1994-98 PROJECTIONS				1.48 x Dividend gain											
Price Gain Return				3-for-1 split											
High 125 (+40%) 13%				Positive Price Strength											
Low 100 (+10%) 8%															
Insider Decisions															
A S O N D J F M A															
to Buy 0 0 0 0 0 0 0 0															
to Sell 0 0 0 0 0 0 0 0															
to Hold 0 0 0 0 0 0 0 0															
Institutional Decisions															
to Buy 3232 3232 3232															
to Sell 140 111 132															
to Hold 122 144 148															
Percent shares traded 8.0															
to Buy 78198 78278 78250															
to Sell 2.0															
to Hold 2.0															
Options: NYSE															
1983 1984 1985 1986 1987 1988 1989 1990 1991 1992 1993 1994															
Revenue per share 76.05															
"Cash Flow" per share 22.96															
Earnings per share 5.65															
Div'ds Decl'd per share 4.50															
Cap'l Spending per share 12.60															
Book Value per share 60.20															
Common Size Ratio (%)															
Avg Ann'l P/E Ratio 13.0															
Relative P/E Ratio 1.00															
Avg Ann'l Div'd Yield 4.9%															
10270 9573.3 10914 11342 12084 12661 13211 13686 13229 13155 13480 13800															
Revenue (\$ mil) 10000															
1992 982.7 888.4 1085.3 1215.3 1278.5 1315.0 1132.5 1208.1 1180.8 1311.2 1289 1465															
Net Profit (\$ mil) 1790															
41.1% 39.2% 42.1% 42.3% 34.7% 22.1% 28.9% 23.4% 14.3% 30.3% 32.5% 32.5%															
Income Tax Rate 33.0%															
8.6% 10.5% 10.6% 10.7% 10.9% 10.4% 8.6% 8.9% 8.7% 10.0% 18.5% 18.6%															
Net Profit Margin 11.8%															
43.2% 40.8% 36.3% 36.2% 38.6% 38.9% 40.8% 43.2% 42.8% 41.9% 42.0% 42.0%															
Long-Term Debt Ratio 46.0%															
58.8% 58.1% 60.7% 61.8% 60.2% 60.1% 58.2% 58.8% 57.2% 58.1% 58.0% 58.0%															
Common Equity Ratio 60.0%															
12688 12897 13792 14344 15273 16061 15894 16084 15863 16742 17680 18435															
Total Capital (\$ mil) 20730															
15188 16377 17107 17904 18831 19370 19465 19729 19915 19973 19725 19825															
Net Plant (\$ mil) 19825															
8.7% 9.2% 8.6% 10.2% 10.0% 10.4% 9.0% 9.5% 8.1% 8.6% 8.5% 8.6%															
% Earned Total Cap'l 18.8%															
13.7% 12.8% 13.1% 13.7% 13.9% 14.0% 12.1% 13.2% 12.8% 13.3% 13.8% 13.9%															
% Earned Net Worth 14.8%															
13.7% 12.8% 13.1% 13.7% 13.9% 14.0% 12.1% 13.2% 12.8% 13.3% 13.8% 13.9%															
% Earned Common Equity 14.8%															
1.2% 8.0% 8.4% 8.9% 8.9% 8.9% 3.1% 4.0% 3.8% 4.7% 4.8% 4.8%															
% Retained in Common Eq 6.0%															
91% 80% 89% 89% 81% 80% 74% 70% 71% 69% 70% 69%															
% All Div'ds to Net Prof 64%															
BUSINESS: NYNEX Corporation is a holding company for New York Telephone Company and New England Telephone Company. NYNEX is a major supplier of telephone service in New York, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, and parts of Connecticut. The company owns 11.4% of the assets of the former AT&T. Access lines in service: 15.8 million. 1992 revenue breakdown: local service, 48%; network access, 26%; toll service, 8%; other, 18%. Telecommunications employees per 10,000 access lines: 45.2 '92 depreciation rate: 7.6%. Has about 81,860 employees, about 1.1 mil. shareholders. Chairman & C.E.O.: William Ferguson, Incorporated: DE. Address: 335 Madison Ave., New York, NY 10017. Telephone: 212-370-7400.															
Improved economic conditions and vigilant cost-cutting should boost NYNEX's results in the coming quarters. Although we expect the Northeast economy to lag behind those of the rest of the nation, modest growth in access lines and local service revenues, combined with ongoing expense reductions, should enable NYNEX to post decent advances in share net through 1994. The company is fighting to win back market share from competitive access providers (CAPs). Since CAPs do not have the same high fixed costs and regulatory constraints as NYNEX, they are able to undercut NYNEX's rates in providing services to business customers. In response, NYNEX has developed state-of-the-art technology—dubbed Enterprise Services—that can provide business customers with incredible network flexibility, such as bandwidth on demand and enhanced disaster recovery capabilities. Since little lead time is required to make changes and customers can effectively "rent" additional capacity only temporarily, this technology should be very marketable. Future earnings growth should be aided by cellular and international ventures. NYNEX is positioning itself well in its cellular markets by continuing its aggressive network expansion. The number of customers on NYNEX's system is growing at about a 27% annual rate, and we expect this growth to continue strong. Meanwhile, NYNEX's investment in cable-TV systems in the U.K. is very promising. In the U.K., the company is permitted to provide both video and telephone service. Currently, about 75% of all cable customers also opt for telephone service. Separately, NYNEX has a 15% equity interest in TelecomAsia, which is constructing a two-million line network in Bangkok. Although these ventures add a certain degree of risk to these shares, the payoff in future years could be substantial. NYNEX stock is ranked to lag the year-ahead market. But at its current price, risk-adjusted total return potential out to 1996-98 appears to be worthwhile. NYNEX's cost-cutting initiatives and competitive efforts may be in vain, however, if N.Y. State regulators fail to adopt more progressive, incentive-based regulation. Jeffrey M. Bagley July 16, 1993															
Company's Financial Strength A+ Stock's Price Stability 95 Price Growth Persistence 95 Earnings Predictability 95															
To subscribe call 1-800-833-0046															

PACIFIC TELESIS NYSE-PAC

RECENT PRICE 48 P/E RATIO 16.8 (Trailing: 17.2) RELATIVE P/E RATIO 1.08 DIV YLD 4.5% VALUE LINE 764



Pacific Televis Group is one of the seven regional holding companies that resulted from the breakup of American Telephone & Telegraph on January 1, 1984. One share of Pacific Televis stock was exchanged for every 10 shares of AT&T common (pre-divestiture). PacTel shares began trading on a when-issued basis on November 21, 1983. "Regular" trading began on February 16, 1984.	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	* VALUE LINE PUBL. INC.	1983-93
	--	18.55	18.79	20.85	21.38	22.64	23.94	24.32	24.67	24.53	25.09	25.55	Revenue per sh ^A	27.48
	--	4.78	5.05	8.02	8.22	7.24	7.89	7.56	7.42	7.40	7.88	7.96	"Cash Flow" per sh	9.55
	--	2.12	2.27	2.51	2.21	2.81	3.02	2.77	2.81	2.83	2.85	2.85	Earnings per sh ^B	3.75
	--	1.36	1.43	1.52	1.64	1.76	1.86	2.02	2.14	2.18	2.18	2.22	Div'd Div'd per sh ^C	2.60
	--	5.20	5.28	4.86	4.75	3.58	4.22	4.35	4.86	5.08	5.18	5.35	Cap'l Spending per sh	8.70
	--	18.20	17.04	18.01	18.47	19.30	19.68	18.83	19.27	20.37	16.85	17.80	Book Value per sh	22.80
	--	400.14	429.41	430.55	427.12	418.91	400.79	388.48	401.02	404.08	403.00	411.50	Common Shs Outst'g ^D	420.00
	--	7.1	8.1	10.1	12.4	10.4	13.4	16.0	14.8	14.9	14.9	14.9	Avg Ann'l P/E Ratio	17.0
	--	.86	.86	.88	.83	.86	1.01	1.19	.96	.96	.96	.96	Relative P/E Ratio	1.30

CAPITAL STRUCTURE as of 3/31/93		--										coverage		Avg Ann'l Div'd Yield		4.1%	
Total Debt \$8865 mil. Due in 5 Yrs \$1614.0 mil.		8132.8	7824.3	8408.6	8877.3	8131.0	9483.0	9583.0	9718.0	9885.0	9936.0	10208	10905	Revenues (\$mil) ^A	11800		
LT Debt \$6330 mil. LT Interest \$383.8 mil.		631.2	628.5	829.1	1079.4	950.0	1188.0	1242.0	1102.0	1108.0	1142.0	1160	1210	Net Profit (\$mil) ^C	1080		
(LT Interest earned: 5.5x; total interest coverage: 4.5x)		38.9%	41.5%	44.7%	44.3%	40.2%	38.7%	37.4%	38.6%	38.6%	38.1%	38.5%	38.5%	Income Tax Rate	38.5%		
		7.8%	10.6%	10.9%	12.0%	10.4%	12.9%	12.9%	11.3%	11.2%	11.3%	11.4%	11.5%	Net Profit Margin	12.6%		
		47.2%	44.1%	43.9%	41.4%	40.2%	48.3%	48.1%	42.8%	41.6%	39.1%	44.0%	42.0%	Long-Term Debt Ratio	33.5%		
		48.6%	52.0%	54.9%	58.2%	58.6%	58.9%	58.4%	58.4%	58.4%	60.9%	58.0%	58.0%	Common Equity Ratio	66.5%		
Leases, Uncapitalized None		12302	12466	13339	13318	13233	13587	13279	13106	13233	13650	12840	12840	Total Capital (\$mil)	14388		
Pension Liability None		15129	16000	16966	17245	17192	17155	17078	17160	17117	17337	17480	17600	Net Plant (\$mil)	18200		
		8.1%	8.2%	8.2%	10.1%	8.1%	10.7%	11.3%	10.7%	10.3%	10.0%	11.5%	11.5%	% Earned Total Cap'l	12.6%		
Pfd Stock None		10.8%	12.5%	12.7%	13.9%	12.0%	14.7%	15.7%	14.8%	14.3%	13.8%	17.5%	16.5%	% Earned Net Worth	16.5%		
		10.8%	12.5%	12.7%	13.9%	12.0%	14.7%	15.7%	14.8%	14.3%	13.8%	17.5%	16.5%	% Earned Comm Equity	16.5%		
Common Stock 408,243,232 shs. as of 4/30/93		2.4%	4.6%	4.6%	5.5%	3.1%	6.4%	6.9%	4.9%	4.3%	4.1%	6.0%	6.0%	% Retained to Comm Eq	6.5%		
		78%	64%	64%	81%	74%	87%	86%	67%	70%	70%	74%	71%	% All Div'd to Net Prof	67%		

CAPITAL STRUCTURE as of 3/31/93
Total Debt \$8865 mil. Due in 5 Yrs \$1614.0 mil.
LT Debt \$6330 mil. LT Interest \$363.8 mil.
(LT interest earned: 5.5%; total interest coverage: 4.6x)
Leases, Unamortized None
Pension Liability None
Pfd Stock None
Common Stock 408,243,232 shs. as of 4/30/93

CURRENT POSITION 1991 1992 3/31/93
Cash Assets 86 91 892
Other 2433 2607 2551
Current Assets 2519 2693 3143
Accounts Payable 1772 1748 1415
Debt Due 967 1162 1535
Other 804 832 1088
Current Liab. 3543 3840 4018
Fix. Chg. Cov. 386% 420% 439%

ANNUAL RATES Post Post Est'd '90-'92 of change (per st) 10 Yrs 5 Yrs 10-96
Revenue -- 3.5% 2.0%
"Cash Flow" -- 5.5% 4.0%
Earnings -- 4.0% 5.0%
Dividends -- 6.5% 3.5%
Book Value -- 1.5% 2.5%

QUARTERLY REVENUES (\$ mil.)
Cal-ender Mar.31 Jun.30 Sep.30 Dec.31 Full Year
1990 2375 2434 2468 2441 9718.0
1991 2410 2520 2499 2466 9895.0
1992 2474 2498 2512 2451 9935.0
1993 2525 2545 2580 2575 10208
1994 2600 2610 2620 2575 10905

EARNINGS PER SHARE ^B
Cal-ender Mar.31 Jun.30 Sep.30 Dec.31 Full Year
1990 .65 .72 .72 .68 2.77
1991 .68 .73 .70 .70 2.81
1992 .69 .72 .71 .71 2.83
1993 .65 .72 .73 .75 2.85
1994 .70 .73 .75 .77 2.95

QUARTERLY DIVIDENDS PAID ^D
Cal-ender Mar.31 Jun.30 Sep.30 Dec.31 Full Year
1990 .44 .47 .47 .47 1.85
1991 .47 .505 .505 .505 1.99
1992 .505 .535 .535 .535 2.11
1993 .535 .545 .545 .545 2.17
1994 .545 .545

BUSINESS: Pacific Telesis Group is one of 7 regional holding cos. previously owned by AT&T. Serves 53 of 58 California counties through Pacific Bell subsidiary (97% of regulated revenues) and about one-third of Nevada through Nevada Bell (3%). Also markets cellular and paging services and business information systems. Has 14.5 million access lines in service, 32.5 million cellular POPs in U.S., about 33.6 million more POPs overseas mostly in Germany and Japan. '92 revenue breakdown: local service, 34%; network access, 23%; toll, 21%; unregulated, 22%. '92 depreciation rate: 7.2%. Has 62,238 employees, 675,000 shareholders. Chairman & CEO: Sam L. Ginn, Inc. NV. Address: 130 Kearny Street, San Francisco, CA 94108. Telephone: 415-384-3000.

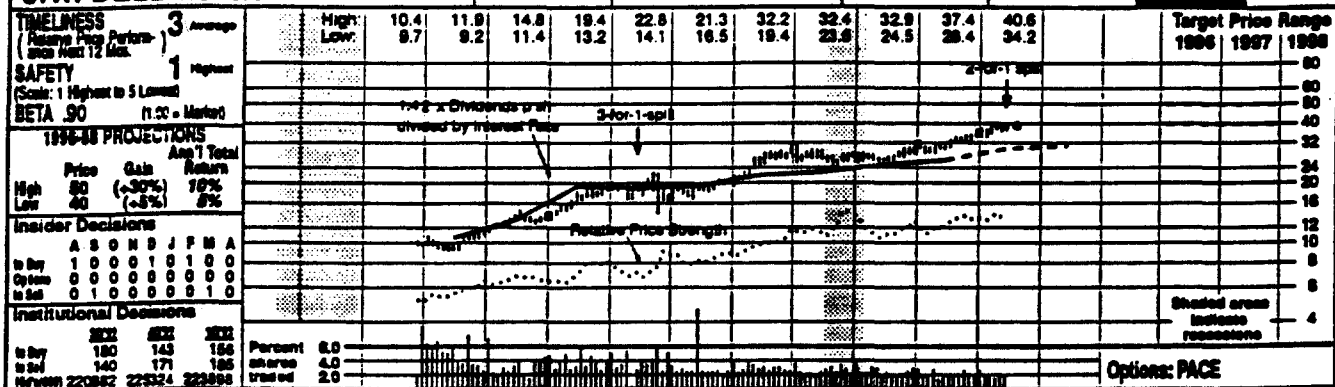
Pacific Telesis is sacrificing short-term profits for long-term growth. PacTel is heavily invested in cellular ventures in Germany and Japan, both of which are in the startup phase. In their initial stage of operations, cellular networks lose money due to the interest and depreciation costs incurred from network construction and from high fixed operational costs. Ongoing startup losses from new cellular operations will likely hurt earnings growth this year and next. However, by 1996-98 the cellular segment should allow for earnings growth that exceeds that of PacTel's peers which have a lower proportion of such assets in their business mix. The company is trying to reduce its regulatory burdens on the state level ... California regulators plan to allow other providers to compete with PacTel for some of its intrastate toll services which comprise a good 10% of its total revenues. The problem is that under current regulatory mandates, PacTel must overprice these services in order to allow California residents to make local calls at below-cost prices. To eliminate this potential competitive disadvantage, PacTel is requesting that rates be rebalanced in line with costs. We expect a ruling this summer but even a partially favorable outcome to this request could adversely impact PacTel's long-term operating results. ... and on the federal level, PacTel plans to spin off its cellular and other wireless operations in the beginning of 1994 so that these segments will not be subject to the restrictions of the AT&T breakup decree which prevents any business under the PacTel holding company umbrella from providing long-distance, manufacturing products, and so on. We think the spinoff will enhance shareholder value, especially since there weren't any existing synergies between the wireless and wireline operations. These shares aren't timely. In addition to unexciting near-term earnings growth prospects and regulatory uncertainty, income-oriented investors should note that the Board doesn't plan to boost the dividend until after the spinoff. This and the increasing probability that interest rates are bottoming out have negative implications for the stock's appeal as a yield play.

Philip S. Mulqueen July 16, 1993

(A) Historical figures (pre-'94) not comparable to post-divestiture results. (B) Based on weighted avg. shs. out. Next eps. report in mid-Aug. Excl. nonrecur. losses: In '90, (176); '91, (236); '92, (64.90). (C) Excl. nonrecur. gain: In '93, \$216.4 mil. (D) Next divid. meeting about Sept. 10. Goes ex about Oct. 5. Div'd payment dates: Feb. 1, May 1, Aug. 1, Nov. 1. ^E Div'd. reinvestment plan (3.5% discount) available. (E) In millions, adj. for stock splits.
Company's Financial Strength A-
Stock's Price Stability 90
Price Growth Persistence 85
Earnings Predictability 95
To subscribe call 1-800-833-0046.

S.W. BELL NYSE-SBC

RECENT PRICE 39 P/E RATIO 16.3 (Trailing: 18.1 Median: 14.6) RELATIVE P/E RATIO 1.04 DIV YLD 3.9% VALUE LINE 767



1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	VALUE LINE PUL. INC.	56-58
12.04	13.26	13.18	13.32	14.07	14.82	15.19	15.56	16.70	17.75	18.80	19.85	Revenues per sh ^a	22.15
3.39	3.85	4.02	4.40	4.83	4.96	4.98	4.87	5.24	5.70	6.15	6.55	"Cash Flow" per sh	7.45
1.51	1.87	1.71	1.74	1.77	1.82	1.84	1.93	2.17	2.40	2.60	2.80	Earnings per sh ^b	3.35
.80	1.00	1.07	1.16	1.24	1.30	1.36	1.42	1.48	1.59	1.67	1.87	Div'ds Decl'd per sh ^c	1.84
3.02	3.50	3.28	2.47	2.03	2.47	2.87	3.04	3.58	3.35	3.65	3.85	Cap'l Spending per sh	3.88
11.71	12.38	13.04	13.83	14.15	13.92	14.21	14.78	15.51	16.05	16.85	17.85	Book Value per sh ^d	17.80
597.19	597.72	598.76	600.90	600.83	601.17	599.74	600.32	599.75	600.00	600.00	600.00	Common Shs Outst ^e	600.00
6.8	7.8	8.8	10.9	10.8	14.0	14.8	14.2	14.8	14.8	14.8	14.8	Avg Ann'l P/E Ratio	14.8
.83	.83	.86	.73	.90	1.06	1.10	.91	.80	.80	.80	.80	Relative P/E Ratio	1.10
9.1%	7.7%	8.4%	8.1%	8.9%	5.1%	5.1%	5.2%	4.6%	4.6%	4.6%	4.6%	Avg Ann'l Div'd Yield	4.6%

1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	VALUE LINE PUL. INC.	56-58
7904.4	7191.3	7925.0	7902.4	8002.6	8452.7	8729.8	9112.9	9331.8	10915	10680	11350	Revenues (Mill) ^a	12800
892.7	883.1	886.2	1022.7	1047.1	1080.1	1082.8	1101.4	1158.6	1301.7	1436	1580	Net Profit (Mill)	1980
40.7%	38.6%	38.7%	41.0%	34.2%	24.8%	28.1%	28.9%	29.7%	30.4%	30.6%	32.0%	Income Tax Rate	34.6%
11.3%	12.3%	12.6%	12.9%	13.1%	12.9%	12.9%	12.1%	12.4%	13.0%	13.5%	13.5%	Net Profit Margin	14.0%
40.0%	41.4%	40.3%	38.6%	40.8%	37.2%	38.9%	38.0%	38.0%	38.1%	48.0%	44.0%	Long-Term Debt Ratio	41.8%
80.0%	58.6%	58.7%	61.4%	58.2%	62.8%	60.9%	61.0%	61.0%	61.9%	65.0%	65.0%	Common Equity Ratio	88.0%
12427	11929	12398	12730	13840	13543	13822	14084	14538	16020	16000	16800	Total Capital (Mill)	17800
16795	15384	16140	16727	16740	16304	16078	16322	16510	16888	16180	16820	Net Plant (Mill)	22800
8.1%	9.4%	10.0%	9.9%	9.3%	9.7%	9.8%	9.8%	9.8%	10.4%	12.0%	12.0%	% Earned Total Cap'l	12.8%
12.0%	12.6%	13.9%	13.1%	12.8%	12.9%	13.1%	12.8%	13.1%	14.0%	18.0%	18.0%	% Earned Net Worth	18.0%
12.0%	12.6%	13.9%	13.1%	12.8%	12.9%	13.1%	12.8%	13.1%	14.0%	18.0%	18.0%	% Earned Common Equity	18.0%
1.4%	4.8%	5.4%	4.9%	4.3%	4.9%	4.8%	4.3%	4.9%	5.9%	7.0%	7.5%	% Retained to Comm Eq	8.0%
88%	62%	60%	62%	67%	61%	63%	67%	68%	69%	67%	67%	% All Div'ds to Net Prof	57%

CAPITAL STRUCTURE as of 3/31/93
Total Debt \$7363 mil. Due in 5 Yrs \$3140 mil.
LT Debt \$5709 mil. LT Interest \$500 mil.
Inc. \$20.3 mil. capitalized leases.
(LT interest earned: 4.8%; total interest coverage: 4.7x)

Leases, Uncapitalized Annual rentals \$68.8 mil.
Pension Liability None
Pfd Stock None

Common Stock 600,030,580 shs.
as of 4/30/93
Adjusted for 2-for-1 stock split paid 5/28/93.

1991	1992	3/31/93
327.5	505.2	419.8
2396.4	2997.9	2817.5
2723.9	3203.1	3237.3
2281.9	2634.1	2254.7
1888.3	1279.3	1654.1
213.0	219.0	226.8
2084.2	4132.4	4135.8
388%	415%	331%

ANNUAL RATES Post 10 Yrs. Post 5 Yrs. Post 10-12 Yrs.
of change (per sh)
Revenues -- 3.0% 6.5%
"Cash Flow" -- 6.0% 7.0%
Earnings -- 2.5% 8.0%
Dividends -- 6.0% 4.5%
Book Value -- 3.0% 3.0%

Cal-ender	QUARTERLY REVENUES (\$ mil)	Full Year
1990	2129 2189 2367 2448	9113
1991	2143 2242 2423 2524	9332
1992	2267 2388 2618 2722	10015
1993	2458 2633 2775 2882	10650
1994	2890 2710 2970 3080	11650

Cal-ender	EARNINGS PER SHARE ^a	Full Year
1990	.42 .44 .54 .44	1.84
1991	.38 .42 .51 .52	1.93
1992	.44 .51 .54 .58	2.17
1993	.51 .58 .70 .63	2.40
1994	.53 .60 .77 .70	2.60

Cal-ender	QUARTERLY DIVIDENDS PAID ^a	Full Year
1988	.31 .325 .325 .325	1.29
1989	.325 .345 .345 .345	1.36
1990	.345 .355 .355 .355	1.41
1991	.355 .365 .365 .365	1.45
1992	.365 .378 .378 .378	1.50

Southwestern Bell hopes to resolve an outstanding regulatory matter in Oklahoma by yearend. In an unfavorable ruling made last year, that state's public utility commission ordered the phone company to reduce its rates by \$92.8 million and make a refund to customers of \$148.4 million. An appeal is currently pending before the Oklahoma Supreme Court. The court has suspended the effective date of the order until a final determination can be made. Still, management has been accruing funds in anticipation of a negative ruling.

Another reconfiguration of the telephone business is planned. Last summer, the phone company was divided into three segments, resulting in several top-management changes and a consolidation of operations. One of these units was responsible for staff and administrative functions for the entire telco. A second concentrated its efforts on customer service in the large Texas market. And a third focused on providing service in four other states with smaller territories. Now, the company will again be reformed, this time into two units, Customer Services and Network Services. Fewer management changes will be made, but aggressive cost-cutting measures are likely. SWB is attempting to find the right size and structure that will enable the telco to compete within a changing regulatory environment. SWB hopes to gain a foothold within the domestic cable market. Previous legislative barriers to offering a diversity of information services are now breaking down in the U.S. The company hopes to obtain federal approval by yearend of its intended acquisition of two cable television businesses from Hauser Communications in the Washington, D.C., area. The purchase (about \$750 million) will probably be financed with new debt. We believe SWB will be successful in this undertaking, considering its past experience managing cable firms inside the United Kingdom. We think the stock's current valuation discounts the company's favorable growth prospects to 1996-98. SWB shares' relative P/E is near an historic high. In our opinion, conservative investors would do well to consider other regional Bell holding companies for now.

David M. Reimer July 16, 1993

U S WEST NYSE:USW

RECENT PRICE 47 P/E RATIO 15.9 (Trailing: 16.1) RELATIVE P/E RATIO 1.02 DIV/YLD 4.6% VALUE LINE 771

TIMELINESS (Rating: 1-5) 3 Average High: 15.0 17.7 22.3 31.0 30.1 29.8 40.3 40.8 40.0 47.8 Target Price Range 1996 1997 1998
(Rating: 1-5) 1 Highest Low: 13.8 13.9 17.1 20.8 21.3 24.4 28.4 32.4 33.8 32.8 37.8

SAFETY (Scale: 1 Highest to 5 Lowest) 1 Highest
BETA .85 (1.00 = Market)

1996-98 PROJECTIONS
Price 60 Gain 10%
Low 45 (-30%) 10% 4%

Insider Decisions
A S O N D J F M A
to Buy 0 0 0 0 0 0 0 0 0 0 0 0
to Sell 0 0 0 0 0 0 0 0 0 0 0 0

Institutional Decisions
to Buy 155 120 184 Percent 6.0
to Sell 161 182 186 shares 4.0
Net New 165778 170265 173800 traded 2.0

U S West is one of the seven regional holding companies resulting from the breakup of American Telephone & Telegraph Company on January 1, 1984. Each AT&T shareholder received one share of U S West common for every 10 shares of AT&T (pre-divestiture) common stock held. The stock began trading on a when-issued basis on November 21, 1983. "Regular" trading of U S West shares began on February 16, 1984.

CAPITAL STRUCTURE as of 3/31/89
Total Debt \$8232.2 mil. Due in 5 Yrs \$4200 mil.
LT Debt \$6692.4 mil. LT Interest \$435.0 mil.
(LT Interest earned: 4.1%; total interest coverage: 3.8x)

Leases, Unamortized Annual rentals \$138.3 mil.
Pension Liability None
Paid Stock None

Common Stock 415,428,880 shs.

CURRENT POSITION 1991 1992 3/31/89
Cash Assets 817.0 204.3 331.1
Other 2578.7 2485.7 2614.3
Current Assets 3395.7 2870.0 2945.4
Accounts Payable 880.9 1127.3 856.6
Debt Due 1873.2 2128.2 2539.8
Other 2085.3 1871.3 1915.8
Current Liab. 4848.4 5124.8 5312.2
Fix. Chg. Cov. 320% 384% 380%

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '90-'92
Revenues -- 3.0% 2.5%
"Cash Flow" -- 3.5% 4.5%
Earnings -- 3.5% 4.0%
Dividends -- 6.5% 3.0%
Book Value -- 3.0% 2.5%

QUARTERLY REVENUES (\$ mil.)
Cal-ender Mar.31 Jun.30 Sep.30 Dec.31 Full Year
1990 2428 2410 2482 2637 9957
1991 2448 2501 2616 3009 10577
1992 2514 2547 2586 2632 10281
1993 2617 2625 2775 2883 10880
1994 2709 2710 2715 2725 10859

EARNINGS PER SHARE
Cal-ender Mar.31 Jun.30 Sep.30 Dec.31 Full Year
1990 .73 .72 .77 .89 3.11
1991 .73 .70 .86 .76 2.85
1992 .77 .71 .85 .73 2.86
1993 .76 .74 .72 .73 2.93
1994 .74 .76 .82 .83 3.15

QUARTERLY DIVIDENDS PAID
Cal-ender Mar.31 Jun.30 Sep.30 Dec.31 Full Year
1989 .44 .47 .47 .47 1.85
1990 .47 .50 .50 .50 1.97
1991 .50 .52 .52 .52 2.06
1992 .52 .53 .53 .53 2.11
1993 .53 .53 .53 .53 2.11

Business: U S West Inc. is one of seven regional phone holding cos. resulting from the AT&T breakup (owns 9.9% of the former AT&T assets). Major subsidiary, U S West Communications (formerly: Mountain Bell, Northwestern Bell, and Pacific Northwest Bell) serves Ariz., Colo., Idaho, Iowa, Minn., Montana, Neb., N. Mex., N. Dakota, Ore., S. Dakota, Utah, Wash., and Wyo. Access lines in service: 13.3 million. '92 telco revenue breakdown: local service, 44%; toll, 17%; access charges, 33%; other, 6%. Telco employees per 10,000 access lines: 38.3. '92 deprec. rate: 6.7%. Est. plant age: 5 yrs. Has 63,707 employees, about 888,000 shareholders. Chmn., Pres. & C.E.O.: R. McCormick, Inc. CO. Address: 7800 E. Orchard Rd., Englewood, CO 80111. Tel.: 303-783-6500.

U S West is investing \$2.5 billion in Time Warner Entertainment (TWE) to build a "full service network," which will provide two-way communications, entertainment, and information services to TWE's 7.1 million cable-TV subscribers. The deal will put U S West a step ahead of its rivals in the initiative to provide interactive video, data, and voice services, potentially fulfilling the vision of a national "electronic superhighway". In our view, the partnership is especially promising because of the inherent synergy between the two companies. TWE already has the high-capacity cable network in place and vast entertainment resources to provide video-on-demand. U S West will contribute its expertise to upgrade the cable system into an interactive, intelligent network by 1998. U S West will invest \$1.5 billion, financed by debt and equity, when the deal is consummated, and the balance will be paid during the subsequent four years after closing. U S West will have a 25.5% equity interest in TWE, with an incentive-based option to acquire another 8.5% if certain cash-flow goals are met. The deal will likely dilute per-share earnings by

At this time, U S West shares will likely continue to trade based on its yield. Although our earnings projections imply subpar total returns for shareholders out to 1996-98, the TWE investment (which also gives the company a stake in Warner studios and Home Box Office) has the potential to generate significant profits for U S West over the long run. Therefore, patient investors might be well-rewarded.

Jeffrey M. Bagley July 16, 1993

A) Historical figures (pre-1984) are not comparable to post-divestiture estimates and results. (B) Based on average shares outstanding, incl. change of 134. '88. Excl. nonrecurring actual material is obtained from sources believed to be reliable, but the publisher is not responsible for any errors or omissions contained herein. For the consent use of subscribers. Reprinting, copying, and distribution by permission only. Copyright 1993 by Value Line Publishing, Inc. © Reg. TM—Value Line, Inc.

APPENDIX 4

**COMPARISON OF THE SIZE AND FINANCIAL
HEALTH OF THE SEVEN RHCs AND THE THREE
"CLOSE TO PURE PLAY" CABLE COMPANIES**

SUMMARY FINANCIAL STATISTICS FOR THE SEVEN RHCs

Regional Holding Company	1992 Revenues (Million \$)	1992 Net Profit (Million \$)	1992 Common Equity Ratio (%)
Ameritech	\$11,153	\$1,346	60.4%
Bell Atlantic	\$12,647	\$1,382	51.5%
Bell South	\$15,202	\$1,658	65.2%
NYNEX	\$13,155	\$1,311	58.1%
Pacific Telesis	\$9,935	\$1,142	60.9%
Southwest Bell	\$10,015	\$1,302	61.9%
U.S. West	\$10,281	\$1,179	55.1%
Averages	\$11,770	\$1,331	59.0%

Source: Value Line Investment Survey, July 16, 1993.

**SUMMARY FINANCIAL STATISTICS FOR THREE
"CLOSE TO PURE PLAY" CABLE COMPANIES**

Cable Company	1992 Revenues (Million \$)	1992 Net Profit (Million \$)	1992 Net Worth as % of Net Worth Plus Long-Term Debt (%)
Cablevision	\$573	(\$251)	(218.9%) ¹
Comcast Corp.	\$900	(\$218)	(4.8%) ²
Tele-Comm. Inc. (TCI)	\$3,574	(\$19)	14.2% ³
Averages	\$1,682	(\$163)	(69.8%)

Source: Value Line Investment Survey, June 25, 1993.

¹ For Cablevision, 1992 long-term debt is \$1,821 million and 1992 net worth is (\$1,250 million).

² For Comcast, 1992 long-term debt is \$3,974 million and 1992 net worth is (\$182 million).

³ For TCI, 1992 long-term debt is \$9,640 million and 1992 net worth is \$1,596 million.

APPENDIX 5

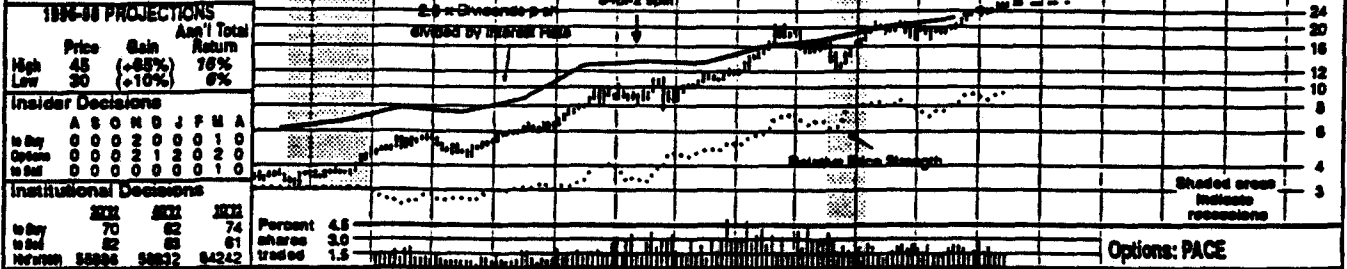
VALUE LINE ANALYSIS OF FIVE INDEPENDENT TELEPHONE COMPANIES:

- **ALLTEL CORP.**
- **CENTURY TELEPHONE ENTERPRISES**
- **CITIZENS UTILITIES**
- **GTE CORPORATION**
- **SPRINT**

ALLTEL CORP. NYSE:AT

RECENT PRICE 27¹/₂ PE RATIO 19.3 (Trailing: 20.9 Median: 11.9) RELATIVE PE RATIO 1.24 DIVD YLD 3.0% VALUE LINE 748

TIMELINESS (Rating: 1-5) 3 Average	High: 4.9	5.8	5.8	6.7	10.0	11.4	12.6	20.9	19.6	21.6	25.0	28.9	Target Price Range
SAFETY (Scale: 1 Highest to 5 Lowest) 2 Above Average	Low: 3.4	4.5	4.4	5.3	6.4	7.7	8.6	11.7	12.4	15.9	17.4	22.9	1996 | 1997 | 1998
BETA 1.00 (1.00 = Market)													



1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	VALUE LINE PUL INC. 64-88
3.06	4.01	4.08	4.58	5.04	5.33	7.23	7.38	7.19	7.11	7.41	8.42	8.25	8.93	11.04	11.33	11.90	13.55	Revenue per sh
1.17	1.31	1.34	1.40	1.48	1.80	1.85	1.78	1.82	1.91	2.18	2.25	2.30	2.42	2.53	2.55	2.85	3.25	"Cash Flow" per sh
.44	.50	.57	.68	.68	.57	.59	.59	.71	.77	.90	1.04	1.13	1.17	1.15	1.22	1.40	1.60	Earnings per sh
.28	.29	.33	.35	.36	.37	.38	.40	.42	.44	.51	.59	.66	.71	.78	.80	.84	.84	Div'd Decl'd per sh
1.52	1.71	2.04	1.75	1.81	2.03	1.88	1.88	1.88	1.51	1.57	1.68	1.75	1.72	1.98	1.99	2.10	2.25	Cap'l Spending per sh
3.03	3.33	3.85	3.90	3.97	4.20	4.42	4.86	5.08	5.18	5.78	6.14	6.67	6.26	6.80	7.01	7.40	8.10	Book Value per sh
45.20	46.11	53.64	55.40	58.84	61.85	63.81	68.00	63.41	68.03	68.28	126.93	132.54	158.44	168.39	164.68	191.79	194.50	Common Shs Outg'd
8.5	7.4	6.9	7.7	7.1	6.8	8.9	7.6	8.8	10.6	10.8	10.5	14.4	13.4	18.9	18.9	18.9	18.9	Avg Ann'l P/E Ratio
1.11	1.01	1.00	1.02	.86	.75	.75	.71	.70	.72	.71	.57	1.00	1.00	1.00	1.00	1.00	1.00	Relative P/E Ratio
7.0%	7.7%	8.3%	9.4%	10.4%	9.8%	7.4%	8.1%	8.8%	8.4%	8.3%	4.8%	3.8%	4.2%	3.7%	3.7%	3.7%	3.7%	Avg Ann'l Div'd Yield

CAPITAL STRUCTURE as of 3/31/93		805.6	640.2	672.0	687.1	735.6	1084.5	1225.6	1573.8	1747.8	2082.1	2285	2570	Revenue (\$mil)	3910
Total Debt \$1080.8 mil. Due in 5 Yrs \$190.3 mil.		55.2	62.6	70.1	79.3	83.8	134.1	153.9	192.8	186.0	228.6	285	315	Net Profit (\$mil)	680
LT Debt \$1029.6 mil. LT Interest \$88.8 mil.		40.4%	41.3%	41.1%	43.3%	38.2%	31.7%	30.1%	32.5%	32.1%	38.0%	36.0%	36.0%	Income Tax Rate	36.0%
Includes \$8.4 mil. capitalized leases.		8.1%	8.8%	10.4%	11.4%	12.7%	12.8%	12.8%	12.3%	10.8%	10.9%	11.8%	11.8%	Net Profit Margin	12.5%
(LT interest earned: 5.3%; total interest coverage: 5.1x)		58.1%	56.8%	54.0%	52.4%	47.5%	45.2%	46.9%	47.1%	47.5%	43.8%	43.0%	46.8%	Long-Term Debt Ratio	31.5%
Pension Liability None		38.1%	38.1%	41.8%	43.4%	48.0%	52.2%	51.4%	51.8%	51.1%	58.8%	58.8%	58.8%	Common Equity Ratio	68.0%
Pld Stock \$8.5 mil. Pld Div'd \$1.7 mil.		1028.2	1061.0	1137.1	1170.1	1187.0	1482.4	1719.2	1820.4	2073.6	2322.7	2535	2700	Total Capital (\$mil)	3480
incl. 79,689 shs. \$2.08 com. (\$25 liq'd value) each		1118.5	1180.6	1211.3	1278.7	1311.2	1582.5	1814.5	1754.9	1825.4	2082.0	2200	2400	Net Plant (\$mil)	2700
conv. into 1,988 com. shs.; 271,879 shs. \$2.25		7.8%	8.4%	8.8%	9.0%	10.2%	10.9%	11.0%	12.0%	11.0%	11.8%	12.0%	13.5%	% Earned Total Cap'l	18.5%
com. (\$25 liq'd value) each conv. into 1,829 com.		12.8%	13.8%	13.4%	14.2%	15.3%	16.4%	16.7%	18.0%	17.2%	17.3%	16.5%	16.5%	% Earned Net Worth	21.0%
Common Stock 184,824,000 shs.		13.8%	14.3%	14.0%	14.9%	15.9%	16.9%	17.1%	18.2%	17.4%	17.9%	18.5%	20.0%	% Earned Comm Eq	21.0%
(adjusted for 2-for-1 stock split paid July 12, 1993.)		5.0%	5.8%	6.0%	6.6%	7.3%	8.5%	8.3%	8.9%	8.6%	7.2%	8.0%	8.5%	% Retained to Comm Eq	12.0%
		62%	62%	59%	58%	53%	51%	52%	54%	61%	59%	57%	52%	% All Div'd to Net Prof	47%

CURRENT POSITION		1991	1992	3/31/93
Cash Assets		80.4	30.4	42.2
Other		311.3	348.0	336.7
Current Assets		391.7	378.4	378.9
Accts Payable		134.0	149.9	137.5
Debt Due		29.5	35.2	31.2
Other		187.1	265.4	299.5
Current Liab.		380.8	451.5	468.2
Fix. Chg. Cov.		388%	458%	483%

ANNUAL RATES		Post	Post	Est'd '90-'92
of change (per sh)		10 Yrs	5 Yrs	to '90-'92
Revenues		8.0%	8.5%	8.5%
"Cash Flow"		8.5%	8.0%	10.5%
Earnings		8.5%	8.0%	12.0%
Dividends		7.0%	9.0%	5.0%
Book Value		8.0%	4.5%	8.5%

QUARTERLY REVENUES (\$ mil.)						
Cal-ender	Mar.31	Jun.30	Sep.30	Dec.31	Full Year	
1990	384.6	388.6	397.1	403.5	1573.8	
1991	411.7	439.9	438.7	457.5	1747.8	
1992	488.4	512.5	513.6	567.6	2082.1	
1993	546.7	583.3	585	630	2295	
1994	635	645	645	745	2670	

Cal- endar	EARNINGS PER SHARE A					Full Year
	Mar.31	Jun.30	Sep.30	Dec.31		
1990	.27	.27	.29	.34	1.17	
1991	.29	.29	.27	.30	1.15	
1992	.27	.31	.31	.33	1.22	
1993	.34	.34	.34	.39	1.40	
1994	.39	.39	.39	.45	1.60	

QUARTERLY DIVIDENDS PAID *							Full Year
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31			
1989	.14	.14	.14	.15		.57	
1990	.16	.16	.16	.16		.64	
1991	.175	.175	.175	.175		.70	
1992	.185	.185	.185	.185		.74	
1993	.20	.20	.20				

most of ALLTEL's bank clients can cut about 10%-15% off their data-processing expenses. Systematics should be able to sustain 15% annual profit gains for a while by signing on new customers and targeting other cost-vigilant industries for its services. Systematics also requires rela-

growth. This eliminates some of the guesswork involved in telecommunications investments with regard to puzzling out which type of network or service provider is going to win out in an industry that is increasingly competitive and deregulated.

Philip S. Mulqueen July 16, 1993

(A) Based on fully dil. shs. Excludes nonrecurring gains (losses): '77, (4c); '86, (37c); '87, 16c; '88, 9c; '91, 2c. Next earnings rept. due late July (B) Next dividend meeting about July 25. Goes ex about August 20. Plus stock: 6% '93. Dividend payment dates: January 3, April 3, July 3, October 3. (C) Includes intangibles. In '92: \$397.8 million, \$2.15 share. (D) In mil. lions, adj. for stock splits. (E) All per share figures adjusted for 2-for-1 split paid July 12th.

Company's Financial Strength 85
Stock's Price Stability 85
Price Growth Persistence 100
Earnings Predictability 95

To subscribe call 1-800-633-0046.

CENTURY TEL. ENT. NYSE-CTL										RECENT PRICE	31	P/E RATIO	21.4 (Trailing: 24.2 Median: 15.0)	RELATIVE P/E RATIO	1.37	DYD	1.0%	VALUE LINE	754								
TIMELINESS (Rating: 1-5) 2 Above Average										High: 2.8	3.4	2.9	4.2	5.8	8.1	14.1	24.0	24.4	21.6	28.8	33.4	Target Price Range	1996 1997 1998				
SAFETY (Scale: 1 Highest to 5 Lowest) 3 Average										Low: 1.9	2.5	2.3	2.7	3.9	4.4	5.7	13.3	14.8	15.9	18.3	26.0						
BETA 1.20 (1.00 = Market)																											
1994-95 PROJECTIONS										11.5% Cash Flow p/sh																	
Price Gain Return										3-for-2 split																	
High 70 (+125%) 27%																											
Low 48 (+46%) 17%																											
Insider Decisions										Relative Price Strength																	
A S O N D J F M A										Shaded areas indicate recessions																	
to Buy 1 0 0 0 0 0 0 0 1																											
to Sell 0 0 0 1 0 0 0 0 0																											
to Hold 1 0 0 2 0 0 0 0 1																											
Institutional Decisions										Options: PACE																	
to Buy 2532 5532 2532																											
to Sell 65 65 65																											
to Hold 29729 30291 31027																											
Percent shares traded 6.0																											
2.0																											
1977 1978 1979 1980 1981 1982 1983 1984 1985 1986 1987 1988 1989 1990 1991 1992 1993 1994										* VALUE LINE PUBL. INC. 66-98																	
4.33 3.74 4.48 4.03 4.42 3.47 3.39 3.87 3.98 3.85 3.84 4.83 4.86 5.38 6.97 7.30 8.00 8.20										Revenues per sh 12.70																	
1.07 .88 1.25 1.07 1.17 1.01 1.03 1.11 1.18 1.09 1.31 1.90 1.90 1.83 1.91 2.46 2.66 2.15										Cash Flow per sh 4.48																	
.38 .31 .34 .31 .32 .36 .31 .37 .41 .44 .46 .83 .80 .82 .80 1.20 1.48 1.70										Earnings per sh 2.78																	
.13 .15 .17 .20 .21 .22 .23 .23 .24 .25 .25 .26 .27 .28 .28 .28 .31 .33										Div'd Decl'd per sh .46																	
1.80 1.89 2.89 2.31 1.81 1.86 1.51 1.51 1.58 1.39 1.77 1.36 1.38 1.41 2.03 2.84 2.70 2.80										Cap'l Spending per sh 2.60																	
2.57 2.98 2.83 2.92 3.01 2.85 2.90 3.06 3.17 3.65 3.83 3.75 3.88 6.06 6.79 7.87 8.40 8.80										Book Value per sh 16.78																	
6.71 11.82 12.00 15.59 17.34 26.35 29.35 30.25 34.13 37.88 38.81 40.82 48.78 48.25 47.06 48.90 84.20 84.48										Common Shs Outst'g 68.00																	
7.3 7.0 6.8 7.7 7.0 6.2 6.1 6.9 8.0 10.5 12.7 17.5 38.6 29.3 23.6 18.1										Avg Ann'l P/E Ratio 21.8																	
6.78 6.95 7.45 8.05 8.95 9.95 7.7 8.4 8.6 7.1 8.6 1.45 2.92 2.18 1.51 1.16										Relative P/E Ratio 1.60																	
										Avg Ann'l Div'd Yield .8%																	
CAPITAL STRUCTURE as of 3/31/93																											
Total Debt \$402.7 mil. Due in 5 Yrs \$140.8 mil.																											
LT Debt \$382.7 mil. LT Interest \$27.0 mil.																											
Incl. \$115.0 mil. of 6% privately placed '07' debts.																											
over at \$38.00 per share. Incl. \$3.5 mil. capital-																											
ized leases. (LT interest earned: 4.5%; total interest																											
coverage: 4.4x)																											
Pension Liability \$7 mil. in '92 vs. 4.8 mil. in '91.																											
Pfd Stock \$5 mil. Pfd Div'd \$1 mil.																											
Incl. 4,280 shs. 6.1% cum., each cr. into 4.93 com.																											
shs.; 13,902 shs. 7.0% cum., each cr. into 4.32																											
com. shs. All \$25 liquidation value.																											
Common Stock 51,149,586 shs. (approx. 86.3																											
million fully diluted shs.)																											
as of 4/30/93																											
CURRENT POSITION																											
1991 1992 3/31/93																											
Cash Assets 11.6 9.8 28.1																											
Other 49.7 80.3 42.4																											
Current Assets 61.3 90.1 68.5																											
Accrs Payable 18.4 34.6 27.9																											
Debt Due 28.1 8.7 10.0																											
Other 29.8 78.4 95.8																											
Current Liab. 78.1 120.7 133.7																											
Fix. Chg. Cov. 334% 404% 397%																											
ANNUAL RATES																											
Post Post Est'd '90-'92																											
of change (per ct) 10 Yrs 5 Yrs to '90-'95																											
Revenues 4.5% 9.5% 12.5%																											
Cash Flow 6.5% 11.0% 14.5%																											
Earnings 10.0% 15.0% 21.0%																											
Dividends 3.0% 3.0% 8.0%																											
Book Value 9.0% 14.5% 18.0%																											
QUARTERLY REVENUES (\$ mil.)																											
Cal-ender Mar.31 Jun.30 Sep.30 Dec.31 Full Year																											
1990 60.4 60.7 62.8 64.9 248.8																											
1991 64.7 66.1 72.4 74.8 281.0																											
1992 75.2 88.2 92.7 100.7 356.8																											
1993 86.8 107.2 112 119 435																											
1994 105 120 130 145 500																											
EARNINGS PER SHARE(A)																											
Cal-ender Mar.31 Jun.30 Sep.30 Dec.31 Full Year																											
1990 .14 .14 .16 .18 .82																											
1991 .15 .18 .21 .26 .80																											
1992 .24 .27 .31 .39 1.20																											
1993 .30 .32 .37 .46 1.45																											
1994 .37 .38 .43 .52 1.70																											
QUARTERLY DIVIDENDS PAID (B)																											
Cal-ender Mar.31 Jun.30 Sep.30 Dec.31 Full Year																											
1990 .067 .068 .068 .068 .27																											
1991 .07 .07 .07 .07 .28																											
1992 .071 .071 .071 .071 .29																											
1993 .073 .073 .073 .073 .29																											
1994 .078 .078																											
BUSINESS: Century Telephone Enterprises, Inc. is an independent telecommunications company, serving 422,000 customers in 15 states in the South and Midwest. Other operations include radio paging and cellular (5.5 million POPs, 3.5 million in MSAs, 73,084 subscribers). '92 revenue breakdown: telephone, 83%; cellular, 15%; paging 2% (second highest cellular exposure of any regulated telephone co.). Acq. Universal Telephone in '89. Central Telephone of Ohio in '92. '92 depreciation rate: 6.3%. Has 2,020 employees, 5,370 stockholders. ESOP has 40% of voting power; GAMCO Investors, 3; insiders, 3% (393 proxy). Chairman: Clarke Williams. Sr. President/C.E.O.: Glen F. Post III. Incorporated: LA. Address: 620 Riverside Drive, Monroe, LA 71201. Tele.: 318-388-9500.																											
Century Telephone's earnings momentum is still enviable but it's slowing. This year, Century is accelerating its capital spending and acquisition programs. To finance these activities, it is accessing the public debt and equity markets. Thus, large jumps in depreciation, amortization, interest expense, and outstanding shares can be expected for 1993. Moreover, many of Century's newly acquired properties aren't as profitable as its core operations. Still, strong growth in the cellular and telephone segments should allow '93 share net to rise about 20%. The cellular operations have not long-term prospects. Century's business portfolio is comprised of a larger number of cellular properties than is true for most independent telcos. Cellular is likely to continue growing at a torrid rate as the cost of cellular phones continues to decline and as the transmission cost gap between wireless and wireline networks keeps narrowing. Also, these revenue gains will benefit profit margins since a large portion of the network's expenses, such as depreciation, will remain fixed as revenues continue to climb. What's more, the amount of capital										required by the cellular segment should start to drop rapidly in '94 and beyond since by that time, all "dead" spots in the network (all areas without cell coverage) will have transmission equipment. From our vantage point, Century shares are timely. And due to recent weakness, the stock's current valuation appears to underrepresent the company's 3- to 5-year earnings prospects. Coupled with this is the likelihood of improving fundamentals in Century's businesses. New technology is helping to lower both the cost of a unit of telephone plant and the expense of call transmissions. Both of these trends should help boost profitability over the foreseeable future. Meanwhile, the company's heavy rural presence serves as an effective shield from competition since the economics of telecommunications investments are positively correlated with population density. This same characteristic of rural markets will likely keep regulators from being too harsh on Century's telephone companies since low regulated returns deter network investment which, in turn, would hurt economic growth. Philip S. Mulqueen July 16, 1993																	

(A) Based on prim. shs. out. from '84-pres. only-dil. before '88. Next eps. rpt. in early Aug. Est. extra. gain: '92, 16. Excl. nonrecurr. gains (loss): '93, (26); '94, 16; '97, 12; '98, 36; '90, 10. (B) Based on prim. shs. out. from '84-pres. only-dil. before '88. Next eps. rpt. in early Aug. Est. extra. gain: '92, 16. Excl. nonrecurr. gains (loss): '93, (26); '94, 16; '97, 12; '98, 36; '90, 10. (C) Based on prim. shs. out. from '84-pres. only-dil. before '88. Next eps. rpt. in early Aug. Est. extra. gain: '92, 16. Excl. nonrecurr. gains (loss): '93, (26); '94, 16; '97, 12; '98, 36; '90, 10. (D) In mils., adj. for stock splits. (E) Assumes full dilution 3-5 yrs. hence. (F) Quarterly earnings don't add to annual total due to rounding.

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CITIZENS UTILS 'B'										NYSE-C2NB		RECENT PRICE	34	PE RATIO	23.4	(Trailing 36.6 Median: 18.0)	RELATIVE PE RATIO	1.50	DYD	NII	VALUE LINE	756																																																																													
TIMELINESS (Rating: 3) Average										High: 57		7.2	8.0	11.3	18.2	17.1	17.8	22.7	21.1	23.0	29.7	37.8	Target Price Range																																																																												
SAFETY (Scale: 1 Highest to 5 Lowest)										Low: 4.0		5.8	5.8	7.2	10.1	11.4	12.9	15.1	11.7	13.2	21.3	27.8	1996: 1997: 1998																																																																												
BETA .75 (1.00 = Market)										3-for-2 split										3-for-2 split										3-for-2 split																																																																					
1994-95 PROJECTIONS										Price 40 Gain (-20%) 4% E Low 30 (-10%) -5% E										3-for-2 split										3-for-2 split										3-for-2 split																																																											
Insider Decisions										Institutional Decisions										Options: None										Options: None										Options: None																																																											
CAPITAL STRUCTURE as of 3/31/93										Pension Liability None										Common Stock \$4,466,031 Class A shares;										as of 4/30/93										as of 4/30/93																																																											
Total Debt \$550.8 mil. Due in 5 Yrs \$27.8 mil.										LT Debt \$548.8 mil. LT Interest \$38.4 mil.										(LT interest earned: 5.1%)										(LT interest earned: 5.1%)										(LT interest earned: 5.1%)																																																											
CURRENT POSITION										ANNUAL RATES										of change (per sh)										10 Yrs 5 Yrs Est'd '90-'92										10 Yrs 5 Yrs Est'd '90-'92																																																											
Cash Assets 42.2										Other 84.7										Current Assets 138.9										Accs Payable 88.7										Debt Due 11.8										Other 105.8										Current Liab. 208.3																																							
Fixed Charge Cov. (%) 427										ANNUAL RATES										of change (per sh)										10 Yrs 5 Yrs Est'd '90-'92										10 Yrs 5 Yrs Est'd '90-'92																																																											
1990 131.2										1991 137.2										1992 155.3										1993 165.5										1994 175										1990 131.2										1991 137.2										1992 155.3										1993 165.5										1994 175									
EARNINGS PER SHARE										Full Year										Full Year										Full Year										Full Year										Full Year																																																	
1990 24										1991 27										1992 28										1993 31										1994 33										1990 24										1991 27										1992 28										1993 31										1994 33									
QUARTERLY DIVIDENDS PAID										Full Year										Full Year										Full Year										Full Year										Full Year																																																	
1990 204										1991 204										1992 204										1993 204										1994 204										1990 204										1991 204										1992 204										1993 204										1994 204									

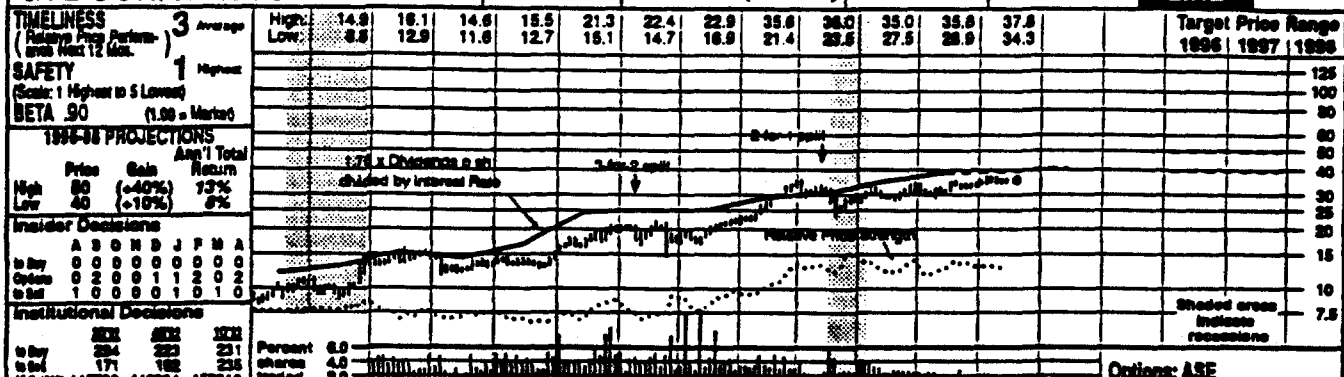
(A) Based on average shares outstanding. Excl. nonrecor. Iss: '92, 84. Next earnings report due mid-Aug. (B) Next dividend meeting about Aug. 25. Goes ex about Aug. 30. Dividend payment dates: last business day of Mar., June, Sept., Dec. Begin. 1990. Class B shares receive stock divs equal to stock divs paid on Class A shares; quarterly rate about 1.5% but varies, depending on stock price. (C) Incl. deferred charges. In '92: \$107.1 mil., \$1.25/sh. (D) In millions, adjusted for stock splits. (E) Excludes stock dividends.

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Company's Financial Strength A++
 Stock's Price Stability 75
 Price Growth Potential 90
 Earnings Predictability 100

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GTE CORP. NYSE-GTE



1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	VALUE LINE PUBL. INC.	85-88
16.78	20.48	22.48	21.48	22.18	22.28	22.93	23.74	24.76	22.90	23.08	25.22	26.38	24.67	22.07	21.27	22.00	21.25	Revenue per sh ^A	27.80
2.28	3.51	3.74	3.45	3.96	4.21	4.68	4.06	4.17	5.10	5.48	5.73	6.04	5.70	5.57	5.38	5.94	6.20	"Cash Flow" per sh	7.75
1.22	1.39	1.32	.94	1.37	1.46	1.58	1.78	1.72	1.88	1.82	1.77	2.08	1.93	1.92	1.96	2.20	2.35	Earnings per sh ^B	3.90
.71	.79	.87	.91	.93	.96	.98	1.01	1.04	1.11	1.24	1.30	1.40	1.32	1.84	1.76	1.82	1.90	Div'ds Decl'd per sh ^C	2.40
4.10	4.88	5.74	5.75	5.83	5.33	4.78	5.75	5.88	4.73	4.83	4.73	4.88	4.80	4.46	4.18	4.00	4.00	Cap'l Spending per sh	4.15
6.72	8.20	8.83	9.85	9.84	10.50	11.30	12.03	10.73	11.61	11.82	12.46	12.01	11.84	12.21	10.81	11.15	11.63	Book Value per sh ^D	14.10
408.08	426.08	442.76	444.65	487.10	541.48	571.94	612.71	635.52	659.92	681.10	652.58	683.80	687.00	688.91	638.53	648.00	643.00	Common Shs Outst'g ^E	880,000
8.5	7.3	7.1	8.5	7.1	7.3	8.1	7.3	8.1	10.8	12.1	11.2	13.3	13.5	16.0	16.8	16.8	16.8	Avg Ann'l P/E Ratio	12.5
1.11	1.00	1.08	1.28	.88	.80	.77	.88	.86	.72	.81	.83	1.01	1.15	1.02	1.02	1.02	1.02	Relative P/E Ratio	1.08
8.0%	8.0%	8.2%	10.1%	8.9%	9.0%	8.9%	7.8%	7.8%	8.1%	8.3%	8.8%	8.1%	5.1%	5.3%	5.4%	5.4%	5.4%	Avg Ann'l Div'd Yield	6.4%

CAPITAL STRUCTURE as of 3/31/93
 Total Debt \$18,864 mil. Due in 5 Yrs \$8,358 mil.
 LT Debt \$13,422 mil. LT Interest \$1,400 mil.
 (LT interest earned: 3.3%; total interest coverage: 2.8x)

Pension Liability None

Pfd Stock \$173.0 mil. **Pfd Div'd** \$18.0 mil.

Common Stock 943,582,915 shs. as of 4/30/93

CURRENT POSITION	1991	1992	3/31/93
Cash Assets	517	384	310
Other	7048	5842	4742
Current Assets	7565	6226	5052
Accounts Payable	1895	1808	1568
Debt Due	2291	2882	2232
Other	3040	3210	3448
Current Liab.	7228	7511	7248
Fx. Chg. Cov.	248%	278%	212%

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '93-'98
of change (per sh)			
Revenues	0.5%	-1.0%	3.5%
"Cash Flow"	3.9%	2.5%	5.5%
Earnings	4.8%	3.0%	9.5%
Dividends	6.0%	8.0%	6.5%
Book Value	1.9%	--	3.5%

QUARTERLY REVENUES (\$ mil.) ^A	Full Year
Cal-order	Mar.31 Jun.30 Sep.30 Dec.31
1990	5219 5323 5327 5524 21383
1991	4884 4847 4851 5229 19021
1992	4823 5063 4885 5133 19884
1993	4826 5230 5230 5384 20670
1994	5230 5885 5480 5830 21825

EARNINGS PER SHARE ^B	Full Year
Cal-order	Mar.31 Jun.30 Sep.30 Dec.31
1990	.46 .48 .48 .52 1.93
1991	.44 .44 .51 .53 1.92
1992	.43 .45 .52 .55 1.95
1993	.48 .53 .57 .62 2.20
1994	.54 .57 .60 .64 2.35

QUARTERLY DIVIDENDS PAID ^C	Full Year
Cal-order	Mar.31 Jun.30 Sep.30 Dec.31
1990	.335 .335 .335 .365 1.37
1991	.365 .365 .395 .395 1.52
1992	.395 .395 .425 .425 1.64
1993	.425 .425 .455 .455 1.76
1994	.455 .455 .455 .455 1.81

BUSINESS: GTE Corporation owns the largest non-Bell telecommunications system. Serves 21.4 million access lines in 40 states, Canada, Dominican Republic, and Venezuela. Has cellular interests in 81 urban and 41 rural service areas. Other operations include government systems, telecommunications products, directory publishing. Electrical products group sold in 1992. Sold 18.9% interest in

GTE's telephone operations unit has signed a definitive agreement to sell approximately 500,000 access lines to Citizens Utilities. GTE will receive \$1.1 billion for the local exchange properties that are located in eastern Arizona, Montana, New York, Tennessee, Utah, and West Virginia and a small portion of GTE's properties in California, Idaho, and Oregon. The transfer of ownership will occur on a state-by-state basis, and should be completed in 1994 assuming the companies receive the approvals of state and federal regulators.

GTE is making progress on several fronts. Aside from the success it has enjoyed in terms of consolidating its service region, the company's principal telephone business is seeing margins improve, thanks to overhead reductions and other process improvements. Too, the cellular business is posting significant revenue increases due to an expanding customer base.

We look for GTE to record share earnings of \$2.20 and \$2.35 in 1993 and 1994, respectively. The roughly 13% gain we expect this year assumes increasing

US Sprint to parent company in February, 1992. 1992 depreciation rate: 6.6%. Estimated plant age: 5 years. Has about 131,000 employees, 474,000 stockholders. Insiders own less than 1% of common (3/8/93 proxy). Chairman & Chief Executive Officer: Charles R. Lee. Incorporated: New York. Address: 1 Stamford Forum, Stamford, Connecticut 06904. Telephone: 203-868-2000.

progress in the cost-cutting arena and steady access line growth (in the neighborhood of 3.5% to 4.0%) in the company's existing service region. Additionally, we have factored in mid- to upper single-digit gains in minutes of use of GTE's local exchange network by long-distance service providers, partially offset by lower tariffs charged to these carriers. Next year, we look for similar access line and long-distance volume growth providing the U.S. economic recovery remains on course.

GTE stock is a good selection for income-oriented accounts. These shares pay a dividend that yields nearly two full percentage points more than prevailing money market rates. Importantly, the company's streamlining efforts and asset sales should provide plenty of cash to shore up the balance sheet and further cover the distribution. By our estimates, the payout has the potential to grow at an above-average rate. If so, it would help yield attractive total returns to 1996-98 on a risk-adjusted basis. In the meantime, these relatively stable shares will likely track the market averages.

Michael J. Rindos July 16, 1993

(A) Merged with Corning through pooling of interests in 1991. (B) Based on primary shares outstanding. Excl. nonrecurring loss: '84, 6c; '85, \$1.97; '86, 3c; '87, 2c; '90, 23c; '91, 30c; '92, \$1.09, nonrecurring gain: '88, 2c. Next earnings report due late July. (C) Next dividend meeting about Aug. 5. Goes ex about Aug. 25. Div'd payment dates: Jan. 1, April 1, July 1, Oct. 1. ^D Div'd reinvestment plan available. (D) Incl. intangibles. In '92: \$2187.0 mil., \$2.29/sh. (E) In millions, adjusted for stock splits.

Company's Financial Strength A
 Stock's Price Stability 95
 Price Growth Persistence 80
 Earnings Predictability 95

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APPENDIX 6

**COMPARISON OF THE VALUE LINE BETAS
AND FINANCIAL RETURNS FOR THE SEVEN RHCs,
THREE "CLOSE TO PURE PLAY" CABLE COMPANIES,
AND TWO SMALL TELEPHONE COMPANIES**